



Full-Year Report 1 Jan – 31 Dec 2019

Record profit for both the fourth quarter and full year 2019

Fourth quarter 2019

- Net turnover amounted to SEK 8,403 M (6,956), an increase of 21 per cent.
- Operational earnings amounted to SEK 415 M (296) and SEK 400 M excluding IFRS 16.
- Profits were positively affected by strong growth in the Service Business, strong demand for used cars and high deliveries of new cars.
- Profit for the period amounted to SEK 262 M (214) and SEK 271 M excluding IFRS 16, and earnings per share to SEK 2.60 (2.10).
- Operating cash flow amounted to SEK -562 M (79) and SEK -391 M excluding IFRS 16 and was negatively affected by a higher stock of cars and higher accounts receivable.

Full year 2019

- Net turnover amounted to SEK 29,508 M (28,382), an increase of 4 per cent.
- Operational earnings amounted to SEK 1,239 M (1,034) and SEK 1,193 M excluding IFRS 16.
- Profit for the year amounted to SEK 807 M (734) and SEK 838 M excluding IFRS 16, and earnings per share to SEK 8.00 (7.25).
- Operating cash flow amounted to SEK 577 M (542) and SEK 423 M excluding IFRS 16.
- The Board proposes an ordinary dividend of SEK 5.25 (4.75) per share to be paid on two separate occasions, in April and October respectively, of SEK 2.75 and 2.50 per share.

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
The Group				
Net turnover	8 403	6 956	29 508	28 382
Operational earnings ¹⁾	415	296	1 239	1 034
Operational earnings, excluding IFRS 16 ²⁾	400	296	1 193	1 034
Operational margin, %	4,9	4,3	4,2	3,6
Operating profit	370	272	1 125	943
Operating profit, excluding IFRS 16 ²⁾	355	272	1 079	943
Operating margin, %	4,4	3,9	3,8	3,3
Profit before tax	334	267	1 014	922
Profit before tax, excluding IFRS 16 ²⁾	345	267	1 053	922
Net profit for the period/year	262	214	807	734
Earnings per share, SEK ³⁾	2,60	2,10	8,00	7,25

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

²⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. Some items for 2019 have, however, been reported excluding IFRS 16 to enable comparison with 2018. See Note 1 and Definitions and performance measures.

³⁾ 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

- Highest profits ever for the fourth quarter
- Strong growth and margin in Service Business
- Improved profit for the Car Business



New record results for the fourth quarter

Both the Service Business and Car Business contributed to our record results in the fourth quarter. Operational earnings for the Group excluding IFRS 16 amounted to SEK 400 M compared with SEK 296 M, and the operational margin was 4.8 per cent compared with 4.3 per cent last year.

Operational earnings for the **Service Business** excluding IFRS 16 were SEK 57 M or 23 per cent higher than last year and amounted to SEK 308 M. Reported turnover was 13 per cent higher than last year and a full 11 per cent higher when adjusted for exchange rate fluctuations and acquired operations. The margin increased from 14.0 to 15.2 per cent, the Service Business's highest ever margin for a single quarter.

Operational earnings for the **Car Business** excluding IFRS 16 were SEK 54 M higher than last year, attributable to sales of both used and new cars. Demand for used cars remained strong during the fourth quarter, and operational earnings excluding IFRS 16 were SEK 38 M higher than last year. Deliveries of new cars were considerably higher, 16 per cent, compared with last year, which can be explained by shorter delivery times for battery-powered cars and new tax regulations in Sweden. The order backlog for new cars at the end of the quarter, adjusted for acquired operations, was still approximately 1,800 cars higher than last year.

Service Business brings stability to profitability

The Service Business contributes to stability in profitability across business cycles as demand feels relatively little impact from shifts in the economy. Turnover for the Service Business has increased by approximately 80 per cent since 2012, while profit has increased many times more, almost 250 per cent. The margin has almost doubled, from 7 per cent to a full 13 per cent, and the Service Business accounted for around 75 per cent of the Group's reported operational earnings for 2019. In 2019, the Service Business reported strong growth of just over 9 per cent. Adjusted for acquired operations and exchange rate fluctuations, the increase amounted to 6 per cent. In 2019, service subscriptions increased by 8 per cent and the number of stored wheels by 12 per cent. The strong car markets and high number of Bilia brands in our stock of cars in recent years indicate strong demand in the Service Business also in 2020.

We offer our customers a better experience

At Bilia we all try to go that bit further for our customers, whether over the phone, at the workshop or in the showroom. We treat our customers as guests and want them to leave us with a positive feeling of having been looked after, a better experience than they expected, and a better experience than last time. We measure how satisfied our customers are and it is pleasing to note that once again in 2019 we achieved record results, which show that we are delivering a considerably better experience compared with the rest of the industry. We will continue to strive to ensure that we offer our customers a better experience also in 2020.

Per Avander, Managing Director and CEO

Group results

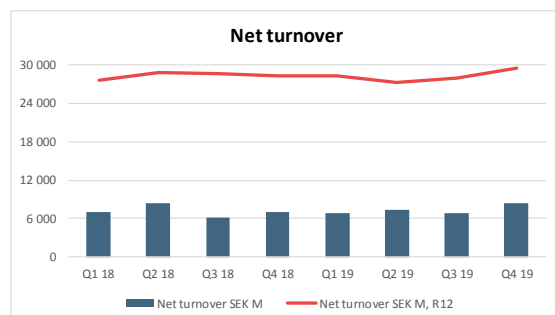
Net turnover and earnings

Fourth quarter 2019

Net turnover amounted to SEK 8,403 M (6,956). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 17 per cent.

Operating profit amounted to SEK 370 M (272) and SEK 355 M excluding IFRS 16. Operating profit for the fourth quarter was negatively affected by a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M. The **operational earnings** amounted to SEK 415 M (296) and SEK 400 M excluding IFRS 16. The operational margin was 4.9 per cent (4.3) and 4.8 per cent excluding IFRS 16.

The Service Business recorded a profit excluding IFRS 16 that was SEK 57 M or 23 per cent higher than last year. The reported turnover for the total Service Business increased by 13 per cent and the adjusted turnover for Sweden and Norway increased by 11 per cent. There was the same number of working days as last year with the exception of Belgium which had one day less. The Car Business reported a profit excluding IFRS 16 that was SEK 54 M higher than last year. The improvement could be attributed to sales of both used and new cars.



The Group's underlying overheads were just under 4 per cent higher compared with last year. Overheads amounted to 12.4 per cent of net turnover, which was 1.5 percentage points lower than last year. As a result of the profit level and customer satisfaction during the quarter, a provision totalling SEK 5 M (10) was made for employee bonuses in Sweden.

The operation in **Sweden** reported a profit of SEK 320 M (213) and SEK 311 M excluding IFRS 16. The margin amounted to 6.2 per cent (5.0) and 6.0 per cent excluding IFRS 16. The higher profit was attributable to both strong growth in the Service Business and to the Car Business. The operation in **Norway** reported a profit of SEK 89 M (75) and SEK 85 M excluding IFRS 16. The margin amounted to 4.1 per cent (4.0) and 3.9 per cent excluding IFRS 16. The higher profit was attributable to both the Service Business and the Car Business. The operation in **Western Europe** reported a profit of SEK 44 M (43) and SEK 43 M excluding IFRS 16. The margin amounted to 4.1 per cent (5.3) and 4.0 per cent excluding IFRS 16. The Car Business reported higher profits, while the Service Business reported lower profits than last year. The operating loss for the **Parent Company** in the fourth quarter amounted to SEK -33 M (-26).

Profit for the period amounted to SEK 262 M (214) and SEK 271 M excluding IFRS 16. Earnings per share amounted to SEK 2.60 (2.10). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 48 during the fourth quarter and amounted to 4,978. Adjusted for acquired operations, the number of employees increased by 45.

Full year 2019

Net turnover amounted to SEK 29,508 M (28,382). For comparable operations and adjusted for exchange rate fluctuations, net turnover was on a par with last year.

Operating profit amounted to SEK 1,125 M (943) and SEK 1,079 M excluding IFRS 16. Operating profit for 2019 was negatively affected by a one-off write-down of intangible assets in Germany, Western Europe, which amounted to SEK 20 M. The **operational earnings** amounted to SEK 1,239 M (1,034) and SEK 1,193 M excluding IFRS 16. The operational margin was 4.2 per cent (3.6) and 4.0 per cent excluding IFRS 16.

The Service Business reported a profit excluding IFRS 16 that was SEK 154 M or 20 per cent higher than last year, mainly attributable to strong demand. Adjusted turnover increased by just under 7 per cent in Sweden and Norway. The Car Business recorded a profit that was SEK 24 M higher than last year. The improvement can be attributed to sales of used cars, which generated a profit that was SEK 172 M higher than last year, which is mainly attributable to a higher gross profit margin. For the first time more used cars than new cars were delivered in 2019. Profit from the sale of new cars was SEK 148 M lower than last year, due to a lower gross profit margin.

The Group's underlying overheads were just under 2 per cent higher compared with last year. Overheads amounted to 12.9 per cent of net turnover, which was 0.1 percentage points higher than last year. As a result of the profit level and customer satisfaction during the year, a provision totalling SEK 29 M (24) was made for employee bonuses in Sweden.

The operation in **Sweden** reported a profit of SEK 950 M (769) and SEK 923 M excluding IFRS 16. The margin amounted to 5.3 per cent (4.3) and 5.2 per cent excluding IFRS 16. Profit in the **Norwegian** operation amounted to SEK 277 M (258) and SEK 262 M excluding IFRS 16. The margin was 3.7 per cent (3.5) and 3.5 per cent excluding IFRS 16. The operation in **Western Europe** reported a profit of SEK 91 M (73) and SEK 88 M excluding IFRS 16. The margin was 2.2 per cent (2.3) and 2.2 per cent excluding IFRS 16. The operating loss for the **Parent Company** for the whole year amounted to SEK -84 M (-70).

Profit for the year amounted to SEK 807 M (734) and SEK 838 M excluding IFRS 16. Earnings per share amounted to SEK 8.00 (7.25). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 193 during the year and amounted to 4,978. Adjusted for acquired operations, the number of employees increased by 119.

Net turnover by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	5 114	4 247	17 811	17 742
Norway	2 180	1 897	7 526	7 473
Western Europe	1 102	803	4 146	3 143
Parent Company, other	7	9	25	24
Total	8 403	6 956	29 508	28 382

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	320	213	950	769
Norway	89	75	277	258
Western Europe	44	43	91	73
Parent Company, other	-38	-35	-79	-66
Total	415	296	1 239	1 034

Operational earnings by geographic market, excluding IFRS 16

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	311	213	923	769
Norway	85	75	262	258
Western Europe	43	43	88	73
Parent Company, other	-39	-35	-80	-66
Total	400	296	1 193	1 034

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	6,2	5,0	5,3	4,3
Norway	4,1	4,0	3,7	3,5
Western Europe	4,1	5,3	2,2	2,3
Parent Company, other	-	-	-	-
Total	4,9	4,3	4,2	3,6

Margin by geographic market, excluding IFRS 16

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	6,0	5,0	5,2	4,3
Norway	3,9	4,0	3,5	3,5
Western Europe	4,0	5,3	2,2	2,3
Parent Company, other	-	-	-	-
Total	4,8	4,3	4,0	3,6

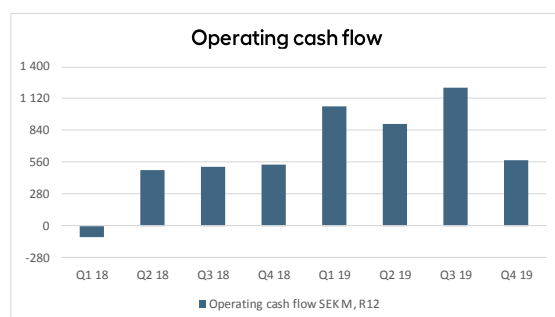
Net financial items and tax

Net financial items for the fourth quarter amounted to SEK -36 M (-5) and SEK -10 M excluding IFRS 16.

Tax for the fourth quarter amounted to SEK -72 M (-53), and the effective tax rate was 22 per cent (20).

Operating cash flow

Operating cash flow for the fourth quarter amounted to SEK -562 M (79). **Operating cash flow** excluding IFRS 16 for the fourth quarter amounted to SEK -391 M. After acquisitions and disposals of operations and changes in financial assets, cash flow for the fourth quarter amounted to SEK -567 M (-205). The corresponding figure excluding IFRS 16 was SEK -396 M. Cash flow was negatively affected by higher car inventories in the fourth quarter.



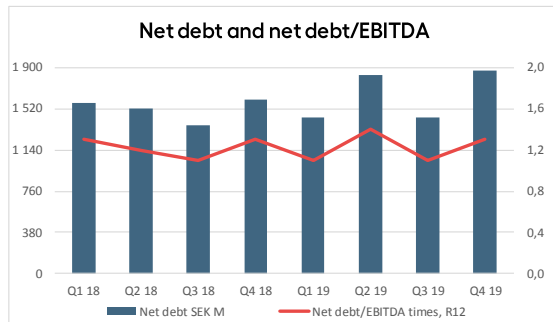
Financial position

The **balance sheet total** increased by SEK 4,010 M during 2019 and amounted to SEK 16,081 M. The increase can mainly be attributed to the introduction of the new accounting standard IFRS 16 Leases, which increased the balance sheet total by SEK 2,597 M. The increase could also be attributed to higher car inventories compared with last year, mainly attributable to new tax regulations in Sweden.

Equity increased by SEK 271 M during 2019, amounting to SEK 3,186 M. A dividend of SEK 483 M was paid to the shareholders during the second quarter. During the fourth quarter, Bilia bought back 817,210 of its own shares at an average price of SEK 97 per share, which equates to a total purchase price of SEK 79 M.

The **equity/assets ratio** amounted to 20 per cent (24), and 24 per cent excluding IFRS 16.

Net debt increased by SEK 2,890 M in 2019 and amounted to SEK 4,493 M. The increase can mainly be explained by the introduction of the new accounting standard IFRS 16, which affected net debt by SEK 2,620 M. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 1,873 M, an increase of SEK 270 M since December 2018. A dividend of SEK 483 M was paid to shareholders during the second quarter, which is why net debt adjusted for this payment decreased by SEK 213 M. The ratio of net debt to EBITDA including IFRS 16 was 2.3 times compared with 1.3 times in the previous year. The ratio of net debt to EBITDA excluding IFRS 16 was 1.3 times.



Excluding IFRS 16

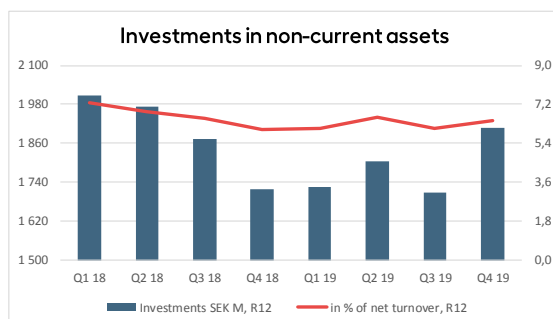
Liquidity remained good, and at the end of December a receivable of SEK 55 M (37) was reported from the banks (Nordea and DNB). Bilias combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

Investments (excluding right-of-use assets)

Acquisitions of non-current assets during the fourth quarter amounted to SEK 74 M (91) excluding lease vehicles and SEK 571 M (372) including lease vehicles. Replacement investments represented SEK 16 M (20), expansion investments SEK 21 M (24), environmental investments SEK 12 M (3), investments in new construction and additions to properties SEK 13 M (32), finance leases SEK 12 M (12) and lease vehicles SEK 497 M (281).

Investments in non-current assets by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	474	176	1 455	1 156
Norway	48	125	301	405
Western Europe	31	40	52	57
Parent Company, other	18	31	98	100
Total	571	372	1 906	1 718



Excluding right-of-use assets

Notable events

Events during the fourth quarter

- Bilia's Board decided to buy back the company's own shares. During the fourth quarter, 817,210 shares were bought back for a total purchase price of SEK 79 M.

Events during the first nine months

- Netbil Begagnat AB (Netbil), a company in the Bilia Group that sells used cars via two sales channels – online auctions and showrooms – opened a further two facilities during the first quarter: Netbil in Kungens Kurva, southern Stockholm and Netbil in Jägersro, Malmö.
- In February Bilia signed an agreement to acquire Jensen & Scheele Bil AS. The business is located in Halden, Østfold, south of Oslo in Norway. Jensen & Scheele Bil AS comprises a complete Volvo facility, a bodyshop and a facility for sales of used cars including a service workshop. The company joined the Group on 1 April 2019. During the 2018 financial year, Jensen & Scheele Bil AS's turnover amounted to approximately NOK 370 M, with an average operating margin of around 3.5 per cent over the past four years.
- Netbil Begagnat AB (Netbil), a company in the Bilia Group that sells used cars via two sales channels – online auctions and showrooms – opened a further facility during the third quarter for sales of used cars in Gothenburg. This is the latest addition in a strategic focus by Bilia on sales of used cars, encompassing a total of seven new facilities.
- Bilia's Board of Directors reached an agreement with Managing Director and CEO Per Avander that he may remain in his current role until 2026.
- An agreement was signed to acquire En Bättre Däckaffär Scandinavia AB, which had a turnover of approximately SEK 14 M in 2018 and 3 employees. The capital employed in the operation plus agreed surplus value amounts to approximately SEK 6 M. Bilia took over the operation on 1 October 2019.

Notable events after the balance sheet date

- No notable events have occurred after 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 growth generated higher profits and margin in the fourth quarter

Fourth quarter 2019

- Turnover amounted to SEK 2,028 M (1,790), an increase of 13 per cent.
- Operational earnings amounted to SEK 315 M (251) and to SEK 308 M excluding IFRS 16.
- The margin was 15.6 per cent (14.0) and 15.2 per cent excluding IFRS 16.

Full year 2019

- Turnover amounted to SEK 7,052 M (6,453), an increase of 9 per cent.
- Operational earnings amounted to SEK 945 M (766) and to SEK 920 M excluding IFRS 16.
- The margin was 13.4 per cent (11.9) and 13.0 per cent excluding IFRS 16.

Turnover and earnings

Fourth quarter 2019

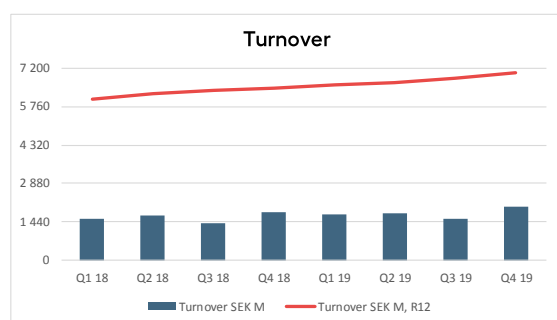
Growth in the Service Business remained strong in the fourth quarter. Reported growth was 13 per cent for the total Service Business and 12 per cent for Sweden and Norway. Adjusted turnover for Sweden and Norway increased by a full 11 per cent. The number of working days was the same as last year, with the exception of Belgium, which had one day less than 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	12,0	13,2	12,3	7,1	9,4	7,7
Underlying turnover	11,3	9,7	10,9	6,9	5,3	6,6
Calendar effect	0,0	0,0	0,0	0,0	0,0	0,0
Adjusted turnover	11,3	9,7	10,9	6,9	5,3	6,6

Operational earnings during the fourth quarter excluding IFRS 16 improved by SEK 57 M or 23 per cent compared with last year. The improved profit was mainly attributable to the strong demand and growth during the quarter. The margin also improved from 14.0 per cent to 15.2 per cent, which was the highest ever margin for a quarter.

Adjusted turnover for the Service Business in Sweden increased as much as 11 per cent and operational earnings amounted to SEK 238 M (174), and SEK 233 M excluding IFRS 16. Adjusted turnover for the Service Business in Norway increased by just under 10 per cent and operational earnings amounted to SEK 60 M (54), and SEK 58 M excluding IFRS 16. Adjusted turnover in Western Europe increased by almost 9 per cent while operational earnings amounted to SEK 17 M (23), and SEK 17 M excluding IFRS 16.



The number of customers with service subscriptions increased by 8 per cent in 2019 and amounted to just over 114,000 (105,000) compared with our long-term goal of 130,000. The number of wheels stored on behalf of our customers increased by 12 per cent during the year and amounted to just over 348,000 (311,000) compared with our long-term goal of 600,000.

Full year 2019

The Service Business continued to grow in 2019 and the reported total growth was just over 9 per cent and almost 8 per cent for Sweden and Norway. Adjusted turnover for Sweden and Norway increased by 7 per cent compared with last year. There was the same number of working days as in the previous year.

Operational earnings excluding IFRS 16 improved by SEK 154 M or 20 per cent compared with last year. The margin improved from 11.9 per cent to 13.0 per cent, which was the highest ever margin for a full year. The improvement was mainly attributable to growth in turnover during the year.

Adjusted turnover for the Service Business in Sweden increased by just under 7 per cent and operational earnings amounted to SEK 674 M (520), and SEK 659 M excluding IFRS 16. Adjusted turnover for the Service Business in Norway increased by just over 5 per cent and operational earnings amounted to SEK 205 M (176), and SEK 197 M excluding IFRS 16. Adjusted turnover in Western Europe increased by 5 per cent and operational earnings amounted to SEK 66 M (70), and SEK 64 M excluding IFRS 16.

Turnover by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	1 275	1 139	4 442	4 148
Norway	508	449	1 786	1 632
Western Europe	245	202	824	673
Total	2 028	1 790	7 052	6 453

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	238	174	674	520
Norway	60	54	205	176
Western Europe	17	23	66	70
Total	315	251	945	766

Operational earnings by geographic market, excluding IFRS 16

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	233	174	659	520
Norway	58	54	197	176
Western Europe	17	23	64	70
Total	308	251	920	766

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	18,7	15,3	15,2	12,5
Norway	11,8	12,2	11,5	10,8
Western Europe	7,6	11,4	8,1	10,4
Total	15,6	14,0	13,4	11,9

Margin by geographic market, excluding IFRS 16

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	18,2	15,3	14,8	12,5
Norway	11,3	12,2	11,0	10,8
Western Europe	7,6	11,4	8,0	10,4
Total	15,2	14,0	13,0	11,9

Car Business

Improved profit, mainly from sales of used cars but also sales of new cars in the fourth quarter

Fourth quarter 2019

- Turnover amounted to SEK 6,577 M (5,238), an increase of 26 per cent.
- Operational earnings amounted to SEK 136 M (75) and to SEK 129 M excluding IFRS 16.
- The margin was 2.1 per cent (1.4) and 2.0 per cent excluding IFRS 16.

Full year 2019

- Turnover amounted to SEK 22,678 M (21,988), an increase of 3 per cent.
- Operational earnings amounted to SEK 348 M (304) and to SEK 328 M excluding IFRS 16.
- The margin was 1.5 per cent (1.4) and 1.4 per cent excluding IFRS 16.

Turnover and earnings

Fourth quarter 2019

The Car Business's deliveries of new and used cars during the fourth quarter, adjusted for comparable operations, was 14 and 9 per cent higher respectively compared with last year. The delivery time for new cars was shorter than in previous quarters.

The order intake of new cars for the Group, adjusted for comparable operations, was 6 per cent higher than last year. The order backlog amounted to 11,767 cars, which was an underlying increase of 1,800 cars or 19 per cent compared with last year.

New cars by geographic market

Number of	Deliveries				Order backlog	
	Fourth quarter		Full year		31 Dec.	31 Dec.
	2019	2018	2019	2018	2019	2018
Sweden	9 929	8 193	32 998	34 960	8 218	6 528
Norway ¹⁾	2 611	2 700	9 006	9 896	2 231	2 065
Western Europe ²⁾	1 858	1 485	6 666	5 468	1 318	1 053
Total	14 398	12 378	48 670	50 324	11 767	9 646

¹⁾ Jensen & Scheele Bil AS is included in deliveries during the quarter with 75 (-) and during the full year with 151 (-) and with 61 (-) in order backlog.

²⁾ Verstraeten and Gent Store by Verstraeten are included in deliveries during the quarter with 250 (-) and during the full year with 977 (-) and with 272 (-) in order backlog.

Used cars by geographic market

Number of	Deliveries			
	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	8 807	7 920	33 981	33 787
Norway ¹⁾	2 445	2 246	10 638	9 800
Western Europe ²⁾	1 285	987	5 745	4 526
Total	12 537	11 153	50 364	48 113

¹⁾ Jensen & Scheele Bil AS is included during the quarter with 183 (-) and during the full year with 529 (-).

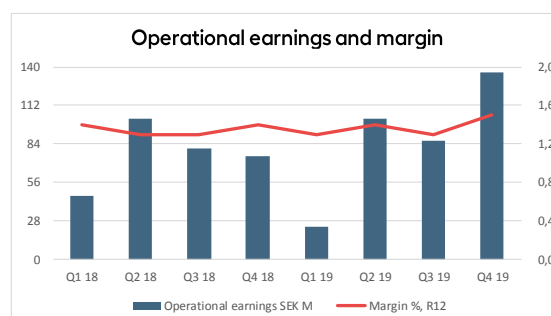
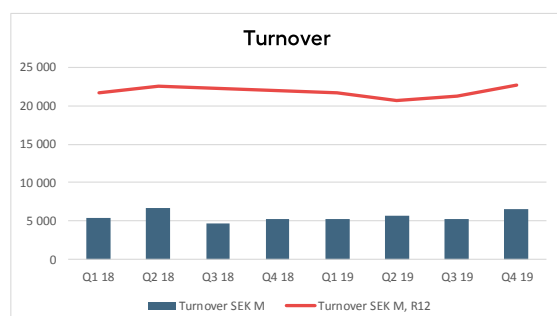
²⁾ Verstraeten and Gent Store by Verstraeten are included during the quarter with 248 (-) and during the full year with 1,032 (-).

Adjusted for comparable operations and exchange rate fluctuations, turnover during the fourth quarter was approximately 19 per cent higher than last year.

Operational earnings from the sale of used cars excluding IFRS 16 amounted to SEK 53 M (15), which was SEK 38 M higher than last year. The improved profit was mainly attributable to a higher turnover and gross profit margin. The turnover rate of inventories of used cars has remained a priority and was at a high level. Inventories of used cars were at too high a level at the year-end, mainly due to high deliveries of new cars at the end of the year.

Profit from sales of new cars was SEK 16 M higher than last year, mainly attributable to higher turnover. Operational earnings from sales of new cars excluding IFRS 16 amounted to SEK 76 M (60) for the fourth quarter.

All in all, operational earnings for the Car Business were SEK 61 M higher than last year and amounted to SEK 136 M (75), and SEK 129 M excluding IFRS 16.



Operational earnings for the Car Business in Sweden were SEK 46 M higher than last year (SEK 42 M excluding IFRS 16), attributable to sales of both used and new cars. This increase can be explained by higher turnover from sales of new cars and a higher turnover and gross profit margin from sales of used cars. Profit from sales of used cars excluding IFRS 16 was SEK 20 M higher than last year and amounted to SEK 43 M (23). Inventories of used cars were at too high a level, mainly due to high deliveries of new cars at the end of the year.

Operational earnings for the Car Business in Norway were SEK 8 M higher than last year (SEK 6 M excluding IFRS 16), which is mainly attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars excluding IFRS 16 was SEK 10 M higher than last year and amounted to SEK 10 M (0). The number of used cars in stock was at a slightly high level.

Operational earnings for the Car Business in Western Europe were SEK 7 M higher than last year (SEK 6 M excluding IFRS 16), which is attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars excluding IFRS 16 amounted to SEK 0 M (loss: -8).

Full year 2019

The Car Business's deliveries of new cars, adjusted for comparable operations, decreased by 5 per cent while deliveries of used cars increased by 2 per cent compared with last year. For the first time, in 2019 more used cars than new cars were delivered to our customers. The order intake of new cars for the Group, adjusted for comparable operations, was 2 per cent higher than last year.

Adjusted for comparable operations and exchange rate fluctuations, turnover during the year was 2 per cent lower than last year.

Profit from sales of used cars excluding IFRS 16 set a new record during the year and was SEK 172 M higher than the previous year. The improved profit was mainly attributable to a higher turnover and gross profit margin. Operational earnings from sales of used cars excluding IFRS 16 amounted to SEK 234 M (62). The turnover rate of the stock of used cars has remained a priority.

Profit from sales of new cars excluding IFRS 16 was SEK 148 M down on last year. Operational earnings from sales of new cars excluding IFRS 16 amounted to SEK 94 M (242).

All in all, operational earnings for the Car Business were higher than last year and amounted to SEK 348 M (304), and SEK 328 M excluding IFRS 16.

Operational earnings for the Car Business in Sweden were SEK 32 M higher than last year (SEK 20 M excluding IFRS 16), which is mainly attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars excluding IFRS 16 was SEK 97 M up on last year and amounted to SEK 190 M (93). Profit from sales of new cars excluding IFRS 16 was SEK 77 M lower than last year, mainly attributable to a lower turnover and gross profit margin.

The Car Business in Norway reported operational earnings SEK 10 M lower than last year (SEK 17 M excluding IFRS 16), mainly attributable to lower turnover from sales of new cars as underlying deliveries were 11 per cent lower. Profit from sales of used cars excluding IFRS 16 was, however, SEK 49 M up on last year and amounted to SEK 41 M (loss: -8). The improvement was attributable to a higher turnover and gross profit margin.

Operational earnings for the Car Business in Western Europe were SEK 22 M higher than last year (SEK 21 M excluding IFRS 16), which is mainly attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars excluding IFRS 16 amounted to SEK 3 M (loss: -23). Profit on sales of new cars was negatively affected by a lower gross profit margin.

Turnover by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	3 868	3 036	13 052	13 143
Norway	1 815	1 578	6 204	6 300
Western Europe	894	624	3 422	2 545
Total	6 577	5 238	22 678	21 988

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	80	34	251	219
Norway	29	21	72	82
Western Europe	27	20	25	3
Total	136	75	348	304

Operational earnings by geographic market, excluding IFRS 16

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	76	34	239	219
Norway	27	21	65	82
Western Europe	26	20	24	3
Total	129	75	328	304

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	2,1	1,1	1,9	1,7
Norway	1,6	1,4	1,2	1,3
Western Europe	2,9	3,1	0,7	0,1
Total	2,1	1,4	1,5	1,4

Margin by geographic market, excluding IFRS 16

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Sweden	2,0	1,1	1,8	1,7
Norway	1,5	1,4	1,0	1,3
Western Europe	2,9	3,1	0,7	0,1
Total	2,0	1,4	1,4	1,4

Fuel Business

Stable turnover in the fourth quarter

Fourth quarter 2019

- Turnover amounted to SEK 331 M (327).
- Operational earnings amounted to SEK 2 M (5).
- The margin was 0.4 per cent (1.4).

Full year 2019

- Turnover amounted to SEK 1,338 M (1,297), an increase of 3 per cent.
- Operational earnings amounted to SEK 25 M (30).
- The margin was 1.8 per cent (2.3).

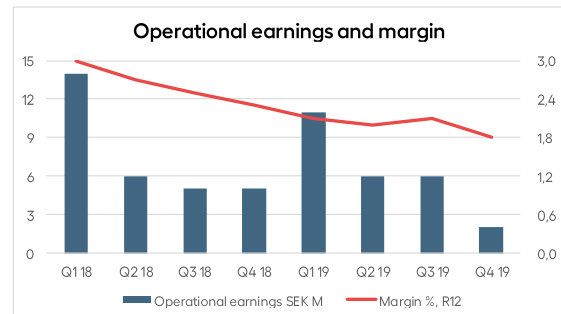
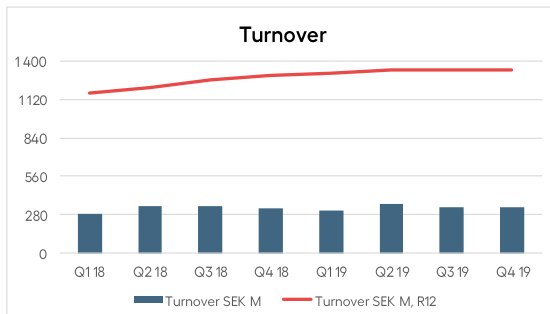
Turnover and earnings

Fourth quarter 2019

The Fuel Business was concentrated mainly to Sweden and profit for the fourth quarter amounted to SEK 2 M (5).

Full year 2019

The Fuel Business was concentrated mainly to Sweden and profit for the full year amounted to SEK 25 M (30).



Turnover

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Total	331	327	1 338	1 297

Operational earnings

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Total	2	5	25	30

Margin

Per cent	Fourth quarter		Full year	
	2019	2018	2019	2018
Total	0,4	1,4	1,8	2,3

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. 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 by manufacturers/general agents to conduct, 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 disruption in the operation.
- 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 2018 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 87 of the 2018 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 2020

The Annual General Meeting will be held on 17 April 2020 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 28 February 2020 in order for the matter to be included in the notice of the meeting.

The annual report for 2019 will be published on Bilia's website on 23 March 2020.

Accounts - Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Fourth quarter		Full year	
	2019	2018	2019 ¹⁾	2018
Net turnover	8 403	6 956	29 508	28 382
Costs of goods sold	-6 998	-5 714	-24 588	-23 807
Gross profit	1 405	1 242	4 920	4 575
Other operating income	10	4	24	6
Selling and administrative expenses	-1 038	-968	-3 800	-3 622
Other operating expenses	-7	-6	-19	-16
Operating profit ¹⁾	370	272	1 125	943
Financial income	-1	0	12	2
Financial expenses	-48	-17	-164	-64
Profit from shares in associated companies	13	12	41	41
Profit before tax	334	267	1 014	922
Tax	-72	-53	-207	-188
Net profit for the period	262	214	807	734
Other comprehensive income/loss				
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	-28	-37	31	31
Other comprehensive income/loss after tax	-28	-37	31	31
Comprehensive income for the period	234	177	838	765
Net profit for the period attributable to:				
Parent Company's shareholders	262	214	807	734
Comprehensive income for the period attributable to:				
Parent Company's shareholders	234	177	838	765
Weighted average number of shares, '000:				
- before dilution	100 586	100 951	100 859	100 951
- after dilution	100 684	101 057	100 957	101 013
Basic earnings/loss per share, SEK	2,60	2,10	8,00	7,25
Diluted earnings/loss per share, SEK	2,60	2,10	8,00	7,25
Weighted average number of own shares, '000	2 214	1 849	1 941	1 849
1) Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-30	-26	-122	-100
- Land and buildings	-31	-25	-75	-58
- Equipment, tools, fixtures and fittings	-16	-15	-98	-93
- Leased vehicles	-100	-114	-400	-427
- Right-of-use assets	-110	0	-451	0
Total	-287	-180	-1 146	-678

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilias has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Consolidated Statement of Financial Position, Summary

SEK M	31 December 2019 ¹⁾	31 December 2018
Assets		
Non-current assets		
Intangible assets		
Intellectual property	636	670
Goodwill	847	842
	1 483	1 512
Property, plant and equipment		
Land and buildings	779	726
Construction in progress	42	83
Equipment, tools, fixtures and fittings	518	500
Leased vehicles ¹⁾	3 130	2 958
Right-of-use assets	2 682	-
	7 151	4 267
Long-term investments		
Financial investments ¹⁾	441	449
Long-term receivables ²⁾	1	-
	442	449
Deferred tax assets	110	81
Total non-current assets	9 186	6 309
Current assets		
Inventories, merchandise	4 571	3 992
Current receivables		
Other receivables ¹⁾	2 088	1 456
Cash and cash equivalents ²⁾	236	314
Total current assets	6 895	5 762
TOTAL ASSETS	16 081	12 071
Equity and liabilities		
Equity		
Share capital	257	257
Other contributed capital	167	167
Reserves	24	-7
Retained earnings including net profit for the year	2 738	2 498
Total equity	3 186	2 915
Non-current liabilities		
Bond issue ³⁾	1 289	1 281
Interest-bearing liabilities ⁴⁾	203	282
Lease liabilities ⁴⁾	2 214	-
Other liabilities and provisions ³⁾	2 259	2 083
	5 965	3 646
Current liabilities		
Interest-bearing liabilities ⁴⁾	1 040	776
Lease liabilities ⁴⁾	406	-
Other liabilities and provisions	5 484	4 734
	6 930	5 510
TOTAL EQUITY AND LIABILITIES	16 081	12 071
Assets		
¹⁾ Of which interest-bearing	433	441
²⁾ Interest-bearing	237	314
Liabilities		
³⁾ Of which interest-bearing	1 300	1 300
⁴⁾ Interest-bearing	3 863	1 058

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Statement of Changes in Group Equity, Summary

SEK M	31 December 2019 ¹⁾	31 December 2018
Opening balance	2 915	2 620
Cash dividend to shareholders	-483	-456
Incentive programme	1	1
Buy-back of own shares	-79	-
Revaluation of put option	-6	-15
Comprehensive income for the year	838	765
Equity at end of period	3 186	2 915

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilias has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Consolidated Statement of Cash Flows

SEK M	Fourth quarter		Full year	
	2019	2018	2019 ¹⁾	2018
Operating activities				
Profit before tax	334	267	1 014	922
Depreciation and impairment losses	368	245	1 227	743
Other items not affecting cash	3	4	22	-39
Tax paid	-41	-40	-281	-180
Change in inventories	-954	-613	-532	-442
Change in operating receivables	-615	-45	-565	128
Change in operating liabilities	754	452	552	-5
Kassaflöde från den löpande verksamheten	-151	270	1 437	1 127
Investing activities				
Acquisition of non-current assets (intangible and tangible)	-74	-91	-246	-271
Disposal of non-current assets (intangible and tangible)	13	0	53	34
Acquisition of leased vehicles	-497	-281	-1 660	-1 447
Disposal of leased vehicles	412	181	1 271	1 099
Acquisition of right-of-use assets IFRS 16	-265	0	-283	0
Disposal of right-of-use assets IFRS 16	0	0	5	0
<i>Operating cash flow</i>	<i>-562</i>	<i>79</i>	<i>577</i>	<i>542</i>
Investment in financial assets	-2	-1	-6	-3
Disposal of financial assets	3	0	5	2
Acquisition of subsidiary/operation, net	-6	-283	-73	-334
Disposal of subsidiary/operation, net	0	0	0	0
Cash flow from investing activities	-416	-475	-934	-920
Cash flow after net investments	-567	-205	503	207
Financing activities				
Borrowings	317	424	1 434	3 382
Repayment of loans	-70	-34	-1 238	-2 953
Repayment of lease liabilities	-17	-15	-64	-60
Lease liabilities entered IFRS 16	265	0	283	0
Repayment of lease liabilities IFRS 16	-94	0	-437	0
Buy-back of own shares	-79	0	-79	0
Revaluation of put option	0	-9	0	-15
Dividend paid to the company's shareholders	0	0	-483	-456
Cash flow from financing activities	322	366	-584	-102
Change in cash and cash equivalents, excl. translation differences	-245	161	-81	105
Exchange difference in cash and cash equivalents	-4	2	3	7
Change in cash and cash equivalents	-249	163	-78	112
Cash and cash equivalents at start of period	485	151	314	202
Cash and cash equivalents at end of period	236	314	236	314

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

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 2019

On 1 January 2019, IFRS 16 Leases replaced existing IFRS relating to accounting of leases. The standard removes the division of leases into operating and finance leases for the lessee, as was required by IAS 17, and instead introduces a common model for reporting all leases. According to this model the lessee must report a) assets and liabilities for all leases running for more than 12 months, with the exception of low-value assets, b) depreciation of leased assets separately from the interest expense of leases in the result.

In the transition to IFRS 16 on 1 January 2019 Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. The leasing liability was the total of the present value of all future lease fees until the lease comes to an end. The simplification rule that the right-of-use asset (before adjustments for any advance payments) should correspond to the lease liability has been applied in the transition. The discount rate was Bilia's marginal borrowing rate with regard to the duration of the lease. The simplification rule for definition of a lease has been applied, which means that all components in a lease have been regarded as a lease component. The exceptions for not reporting short-term leases and assets of low value has also been applied.

The opening balance of the lease liability and the right-of-use asset amounted to SEK 2,793 M for existing leases. The largest class of asset for leases was properties, such as the centres where Bilia conducts its business. Bilia's reported profit, financial position and cash flow in 2019 were affected by the introduction of IFRS 16 Leases as described below.

Consolidated statement of income and other comprehensive income, summary

MSEK	Excluding IFRS 16	IFRS 16	Including IFRS 16
	Full year		Full year
	2019		2019
Net turnover	29 508	-	29 508
Gross profit	4 903	17	4 920
Other operating income	24	-	24
Selling and administrative expenses	-3 829	29	-3 800
Other operating expenses	-19	-	-19
Operating profit	1 079	46	1 125
Net financial items	-26	-85	-111
Profit before tax	1 053	-39	1 014
Deferred tax	13	8	21
Tax	-228	-	-228
Net profit for the period	838	-31	807
Translation differences attributable to foreign operations	31	0	31
Comprehensive income for the period	869	-31	838
Total amortisation/depreciation	-695	-451	-1 146

Consolidated statement of financial position, summary

MSEK	Excluding IFRS 16	IFRS 16	Including IFRS 16
	31 December 2019		31 December 2019
Assets			
Intangible assets	1 483	-	1 483
Right-of-use assets	-	2 682	2 682
Other property, plant and equipment	4 469	-	4 469
Long-term investments	442	-	442
Deferred tax assets	102	8	110
Total non-current assets	6 496	2 690	9 186
Total current assets	6 988	-93	6 895
TOTAL ASSETS	13 484	2 597	16 081
Equity and liabilities			
Total equity	3 217	-31	3 186
Bond issue	1 289	-	1 289
Interest-bearing liabilities	203	2 214	2 417
Other liabilities and provisions	2 259	-	2 259
Total non-current liabilities	3 751	2 214	5 965
Interest-bearing liabilities	1 040	406	1 446
Other liabilities and provisions	5 476	8	5 484
Total current liabilities	6 516	414	6 930
TOTAL EQUITY AND LIABILITIES	13 484	2 597	16 081

Consolidated statement of cash flows, summary

MSEK	Excluding IFRS 16	Including IFRS 16	
	Full year 2019	IFRS 16	Full year 2019
Profit before tax	1 053	-39	1 014
Depreciation and impairment losses	776	451	1 227
Other items not affecting cash	22	-	22
Tax paid	-281	-	-281
Change in inventories and in operating receivables/liabilities	-565	20	-545
Cash flow from operating activities	1 005	432	1 437
Acquisition/disposal of non-current assets	-582	-278	-860
<i>Operating cash flow</i>	423	154	577
Investment in/disposal of financial assets	-1	-	-1
Acquisition/disposal of subsidiary/operation, net	-73	-	-73
Cash flow from investing activities	-656	-278	-934
Cash flow after net investments	349	154	503
Borrowings	1 434	283	1 717
Repayment of loans	-1 302	-437	-1 739
Buy-back of own shares	-79	-	-79
Dividend paid to the company's shareholders	-483	-	-483
Cash flow from financing activities	-430	-154	-584
Change in cash and cash equivalents	-81	0	-81

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.

New accounting policies from 1 January 2020

No new accounting policies were introduced on 1 January 2020 that will affect the Bilia Group's financial reporting.

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 3 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

“Gain from sale of property” relate to a facility in Sweden which has been used in the Car Business and the Service Business. Structural costs during 2019 relate to expenses for relocation of operations in Sweden and expenses for reducing employees. “Structural costs” during 2018 primarily relate to expenses for reducing employees. “Acquisition-related costs and value adjustments” pertain to costs for the acquisition of operations. Amortisation/impairment losses of surplus values in 2019 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	
	2019	2018	2019	2018
The Group				
Operational earnings	415	296	1 239	1 034
- Gain from sale of property	0	0	8	0
- Structural costs etc.	0	0	-4	-8
- Acquisition-related costs and value adjustments	-1	-4	-3	-6
- Amortisation/impairment losses of surplus values	-44	-20	-115	-77
Operating profit	370	272	1 125	943

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
The Group				
Operational earnings, excluding IFRS 16	400	296	1 193	1 034
- Gain from sale of property	0	0	8	0
- Structural costs etc.	0	0	-4	-8
- Acquisition-related costs and value adjustments	-1	-4	-3	-6
- Amortisation/impairment losses of surplus values	-44	-20	-115	-77
Operating profit, excluding IFRS 16	355	272	1 079	943

Note 4 Group's operating segments

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
Profit from shares in 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 property	4	4		8		8
- Structural costs etc.	-1	-3		-4		-4
- Acquisition-related costs and value adjustments	-1	-2		-3		-3
- Amortisation/impairment losses of surplus values	-58	-57		-115		-115
Total	-56	-58	-	-114	-	-114
Assets						
Shares 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
Profit from shares in associated companies				41		
Revenue and costs that affect comparability:						
- Profit from sale of property	4			4		
- Structural costs etc.	-1	0		-2	0	-1
- Acquisition-related costs and value adjustments	-1			-1	-1	0
- Amortisation/impairment losses of surplus values	-12	-12	-34	-11	-12	-34
Total	-10	-12	-34	-10	-13	-35
Shares 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

31 December 2018

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5 073	21 988	1 297	28 358	24	28 382
Internal sales	1 380			1 380	-1 380	-
Total net turnover	6 453	21 988	1 297	29 738	-1 356	28 382
Depreciation/amortisation	-113	-516	-5	-634	-44	-678
Operational earnings/Operating profit/loss	766	304	30	1 100	-157	943
Interest income						2
Interest expenses						-64
Profit from shares in associated companies		41		41		41
Profit before tax						922
Tax expense for the period						-188
Net profit for the period						734
Revenue and costs that affect comparability:						
- Profit from sale of property	0	0		0		0
- Structural costs etc.	-4	-4		-8		-8
- Acquisition-related costs and value adjustments	-3	-3		-6		-6
- Amortisation of surplus values	-39	-38		-77		-77
Total	-46	-45	-	-91	-	-91
Assets						
Shares in associated companies		441		441		441
Deferred tax assets						81
Other assets						11 549
Total assets						12 071
Investments in non-current assets	95	1 518	5	1 618	100	1 718
Liabilities						
Equity						2 915
Liabilities						9 156
Total liabilities and equity						12 071

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	3 308	1 167	598	13 143	6 300	2 545
Internal sales	840	465	75			
Total turnover	4 148	1 632	673	13 143	6 300	2 545
Depreciation/amortisation	-65	-18	-30	-445	-41	-30
Operational earnings	520	176	70	219	82	3
Profit from shares in associated companies				41		
Revenue and costs that affect comparability:						
- Profit from sale of property						
- Structural costs etc.	-2	-1	-1	-2	0	-2
- Acquisition-related costs and value adjustments	-1	0	-2	-1	-1	-1
- Amortisation of surplus values	-12	-10	-17	-12	-9	-17
Total	-15	-11	-20	-15	-10	-20
Shares in associated companies				441		
Investments in non-current assets	64	21	10	1 087	384	47

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	17 766	5 446
Norway	7 473	1 054
Germany	1 120	82
Luxembourg	1 202	610
Belgium	821	629
Segment reconciliation	0	-1 593
Total	28 382	6 228

Note 5 Acquisitions

On 1 April 2019 Bilia acquired Jensen & Scheele Bil AS, a Volvo dealer in Norway. Operations are run from three facilities in Halden, Østfold south of Oslo, and comprise a complete Volvo facility, a bodyshop and a facility for sales of used cars including a service workshop. The business has an annual turnover of about SEK 370 M, with an operating margin of about 3.5 per cent per year. The purchase consideration was SEK 50 M. The entire purchase consideration was paid in cash.

The acquisition brings Bilia further facilities in an attractive area, from which the company will offer customers high-quality service. The expertise and experience of the operation will help to further strengthen and develop Bilia in Norway.

The operation has about 55 employees and will continue to be conducted from the present-day facilities.

Acquisition-related expenses amounting to SEK 0.8 M consist of fees to consultants for due diligence and have been recognized as "Other operating expenses".

Effects of the acquisition

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

Acquiree's net assets at the acquisition date:

SEK M	Jensen & Scheele Bil AS
Intangible assets	46
Property, plant and equipment	199
Long-term investments	0
Deferred tax asset	1
Inventories	52
Trade receivables and other receivables	14
Cash and cash equivalents	2
Interest-bearing liabilities	56
Trade payables and other liabilities	199
Deferred tax liability	9
Net identifiable assets and liabilities	50
Consolidated goodwill	-
Net identifiable assets and liabilities, including goodwill	50
Purchase consideration paid	50
Less: Cash and cash equivalents in acquired operation	-2
Net effect on cash and cash equivalents	48

Acquired customer relations totalling SEK 46 M are recognised as intangible assets. These customer relations will be amortised over 10 years.

The 2019 acquisitions of an authorized service centre in Furubakken, Norway and En Bättre Däckaffär Scandinavia AB, a wheel storage supplier for car dealers in Stockholm, Sweden did not have any material effect on the Group, which is why acquisition analyses have not been provided.

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

Specification of interest-bearing net debt/receivable

SEK M	31 December 2019	31 December 2018
Current interest-bearing liabilities	1 040	776
Non-current interest-bearing liabilities	1 503	1 582
Lease liabilities IFRS 16	2 620	-
Cash and cash equivalents	-236	-314
Interest-bearing assets	-1	-
Shares in associated companies	-433	-441
Net debt(+)/receivable(-) at end of period/year	4 493	1 603
Net debt(+)/receivable(-) at end of period/year, excluding IFRS 16	1 873	1 603

The ratio of net debt to EBITDA

SEK M	31 December 2019	31 December 2018
Operational earnings	1 239	1 034
Operational earnings, excluding IFRS 16	1 193	1 034
Total depreciation/amortisation	1 146	678
-amortisation of surplus values	-95	-77
-depreciation of right-of-use assets	-451	-
-depreciation of leased vehicles with repurchase agreements	-337	-366
Depreciation/amortisation added back	714	235
Depreciation/amortisation added back, excluding IFRS 16	263	235
EBITDA	1 953	1 269
EBITDA, excluding IFRS 16	1 456	1 269
The ratio of net debt to EBITDA rolling 12 months, times	2,3	1,3
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	1,3	1,3

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2019	2018	2019	2018
Net turnover	141	124	530	485
Administrative expenses	-174	-150	-614	-555
Operating loss¹⁾	-33	-26	-84	-70
<i>Result from financial items</i>				
Profit from shares in Group companies	-11	-12	117	57
Interest income from Group companies	12	9	54	46
Other interest income and similar line items	-1	0	10	0
Interest expenses to Group companies	0	0	0	0
Interest expenses and similar line items	-10	-8	-43	-33
Loss after financial items	-43	-37	54	0
Appropriations	723	573	723	573
Profit before tax	680	536	777	573
Tax	-136	-112	-131	-112
Net profit for the year	544	424	646	461
¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	0	-1	0	-1
- Buildings	-7	-3	-18	-10
- Equipment, tools, fixtures and fittings	0	0	-1	0
Total	-7	-4	-19	-11

Balance Sheet for Parent Company, Summary

SEK M	31 December 2019	31 December 2018
Assets		
Non-current assets		
Intangible assets		
Intellectual property	0	0
	0	0
Property, plant and equipment		
Buildings	163	76
Construction in progress	36	82
Equipment, tools, fixtures and fittings	5	3
	204	161
Long-term investments		
Shares in Group companies	1 328	1 328
Other securities held as non-current assets	1	1
Deferred tax asset	58	45
	1 387	1 374
Total non-current assets	1 591	1 535
Current assets		
Current receivables		
Receivables from Group companies	2 130	1 922
Other receivables	196	99
Cash on hand and demand deposits	55	82
Total current assets	2 381	2 103
TOTAL ASSETS	3 972	3 638
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	897	809
	1 064	976
Total equity	1 368	1 280
Untaxed reserves	863	727
Provisions		
Deferred tax liability	14	5
	14	5
Non-current liabilities		
Bond issue	1 289	1 281
Other liabilities	5	5
	1 294	1 286
Current liabilities		
Liabilities to credit institutes	-	42
Liabilities to Group companies	70	63
Other liabilities	363	235
	433	340
TOTAL EQUITY AND LIABILITIES	3 972	3 638

Quarterly review - 8 quarters

The Group

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Net turnover, SEK M	6 978	8 329	6 119	6 956	6 874	7 426	6 805	8 403
Operational earnings, SEK M	218	299	221	296	238	306	280	415
Operational margin, %	3,1	3,6	3,6	4,3	3,5	4,1	4,1	4,9
Operating profit, SEK M	196	274	201	272	211	280	264	370
Operating margin, %	2,8	3,3	3,3	3,9	3,1	3,8	3,9	4,4
Profit before tax, SEK M	188	270	197	267	192	251	237	334
Profit/loss for the period, SEK M	146	216	158	214	154	203	188	262
The ratio of net debt to EBITDA, times ¹⁾	1,3	1,2	1,1	1,3	2,9	2,8	2,3	2,3
Return on capital employed, % ¹⁾	21,0	20,9	21,1	20,5	18,3	16,6	16,0	15,8
Return on equity, % ¹⁾	25,2	26,6	26,6	26,5	26,1	25,7	25,9	26,5
Equity/assets ratio, %	25	22	25	24	21	19	21	20
Data per share (SEK) ²⁾								
Earnings/loss for the period	1,45	2,15	1,55	2,10	1,50	2,05	1,85	2,60 ³⁾
Equity	28	26	27	29	31	28	30	32

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.

Business area – Service Business

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Turnover, SEK M	1 561	1 697	1 405	1 790	1 704	1 750	1 570	2 028
Operational earnings, SEK M	169	209	137	251	218	217	195	315
Margin, %	10,8	12,3	9,8	14,0	12,8	12,4	12,4	15,6
Adjusted turnover, growth in %	3,1	8,2	2,1	4,3	6,4	2,0	7,1	10,9

Business area – Car Business

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Turnover, SEK M	5 463	6 632	4 655	5 238	5 214	5 654	5 233	6 577
Operational earnings, SEK M	46	102	81	75	24	102	86	136
Margin, %	0,9	1,5	1,7	1,4	0,5	1,8	1,6	2,1
New cars delivered, number	12 388	15 886	9 672	12 378	11 336	13 078	9 858	14 398
Order backlog of new cars, number ¹⁾	12 560	8 324	9 880	9 646	12 385	11 579	13 083	11 767
Used cars delivered, number	11 904	12 698	12 358	11 153	11 956	12 906	12 965	12 537

¹⁾ Figures published Q1 18 for Western Europe have been corrected.

Business area – Fuel Business

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Turnover, SEK M	289	342	339	327	307	362	338	331
Operational earnings, SEK M	14	6	5	5	11	6	6	2
Margin, %	4,8	1,8	1,5	1,4	3,6	1,5	1,9	0,4

Quarterly review - 8 quarters, excluding IFRS 16

The Group

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Net turnover, SEK M	6 978	8 329	6 119	6 956	6 874	7 426	6 805	8 403
Operational earnings, SEK M	218	299	221	296	227	296	270	400
Operational margin, %	3,1	3,6	3,6	4,3	3,3	4,0	4,0	4,8
Operating profit, SEK M	196	274	201	272	200	270	254	355
Operating margin, %	2,8	3,3	3,3	3,9	2,9	3,6	3,7	4,2
Profit before tax, SEK M	188	270	197	267	200	261	247	345
Profit/loss for the period, SEK M	146	216	158	214	161	210	196	271
The ratio of net debt to EBITDA, times ¹⁾	1,3	1,2	1,1	1,3	1,1	1,4	1,1	1,3
Return on capital employed, % ¹⁾	21,0	20,9	21,1	20,5	20,0	19,6	20,0	20,8
Return on equity, % ¹⁾	25,2	26,6	26,6	26,5	26,4	26,1	26,6	27,4
Equity/assets ratio, %	25	22	25	24	25	23	25	24
Data per share (SEK) ²⁾								
Earnings/loss for the period	1,45	2,15	1,55	2,10	1,50	2,05	1,85	2,60 ³⁾
Equity	28	26	27	29	31	28	30	32

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.

Business area – Service Business, excluding IFRS 16

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Turnover, SEK M	1 561	1 697	1 405	1 790	1 704	1 750	1 570	2 028
Operational earnings, SEK M	169	209	137	251	212	211	189	308
Margin, %	10,8	12,3	9,8	14,0	12,4	12,1	12,0	15,2
Adjusted turnover, growth in %	3,1	8,2	2,1	4,3	6,4	2,0	7,1	10,9

Business area – Car Business, including IFRS 16

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Turnover, SEK M	5 463	6 632	4 655	5 238	5 214	5 654	5 233	6 577
Operational earnings, SEK M	46	102	81	75	20	97	82	129
Margin, %	0,9	1,5	1,7	1,4	0,4	1,7	1,6	2,0
New cars delivered, number	12 388	15 886	9 672	12 378	11 336	13 078	9 858	14 398
Order backlog of new cars, number ¹⁾	12 560	8 324	9 880	9 646	12 385	11 579	13 083	11 767
Used cars delivered, number	11 904	12 698	12 358	11 153	11 956	12 906	12 965	12 537

¹⁾ Figures published Q1 18 for Western Europe have been corrected.

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.

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.

IFRS 16 A new reporting standard from 1 January 2019 means that future leased assets are reported as right-of-use assets and financial liabilities in the consolidated statement of financial position. The lease payments for the leased assets are divided into planned depreciation, interest expenses and repayments.

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.

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 bilias.com/en/finances/#!15623/finances/performance-measures/.



Additional Bilia disclosures

Press and analyst meeting

On Wednesday, 12 February 2020, 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 15:30 CET. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

Contact

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Calendar

Annual General Meeting: 17 April 2020
Interim report January-March 2020: 29 April 2020
Interim report April-June 2020: 29 July 2020
Interim report July-September 2020: 28 October 2020

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, 12 February 2020
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. The information was submitted for publication, through the agency of the contact persons set out above, on 12 February 2020, at 10:30 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 136 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 and Dacia and transport vehicles from Renault, Toyota and Dacia.

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



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