



Second quarter 2019

Profit on a par with the record quarter of last year

Second quarter 2019

- Net turnover amounted to SEK 7,426 M (8,329), a decrease of 11 per cent.
- Operational earnings amounted to SEK 306 M (299) and SEK 296 M excluding IFRS 16.
- Profit was positively affected by new record result for sales of used cars.
- Profit for the period amounted to SEK 203 M (216), SEK 210 M excluding IFRS 16, and earnings per share to SEK 2.05 (2.15).
- Operating cash flow amounted to SEK 339 M (497) and SEK 226 M excluding IFRS 16.

First six months

- Net turnover amounted to SEK 14,300 M (15,307), a decrease of 7 per cent.
- Operational earnings amounted to SEK 544 M (517) and SEK 523 M excluding IFRS 16.
- Profit for the period amounted to SEK 357 M (362), SEK 371 M excluding IFRS 16, and earnings per share to SEK 3.55 (3.60).
- Operating cash flow amounted to SEK 679 M (323) and SEK 438 M excluding IFRS 16.

Events after the balance sheet date

- No notable events have occurred after the end of the quarter.

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Net turnover	7,426	8,329	14,300	15,307	27,375	28,382
Operational earnings ¹⁾	306	299	544	517	1,061	1,034
Operational earnings, excluding IFRS 16 ²⁾	296	299	523	517	1,040	1,034
Operational margin, %	4.1	3.6	3.8	3.4	3.9	3.6
Operating profit	280	274	491	470	964	943
Operating profit, excluding IFRS 16 ²⁾	270	274	470	470	943	943
Operating margin, %	3.8	3.3	3.4	3.1	3.5	3.3
Profit before tax	251	270	443	458	907	922
Profit before tax, excluding IFRS 16 ²⁾	261	270	461	458	925	922
Net profit for the period/year	203	216	357	362	729	734
Earnings per share, SEK ³⁾	2.05	2.15	3.55	3.60	7.20	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

Record profits for used cars in the Car Business
Higher order intake and order backlog in the Car Business
Continued growth in the Service Business



Profit for the second quarter on a par with last year

I am proud to see us delivering a result similar to last year's record quarter, despite considerably lower turnover. Last year was positively affected by changed tax regulations for new cars in both Sweden and Norway. Operational earnings for the Group excluding IFRS 16 amounted to SEK 296 M compared with SEK 299 M, and the operational margin was 4.0 per cent compared with 3.6 per cent last year. This is our second highest ever result in a single quarter.

Demand for used cars remained strong during the second quarter, and operational earnings excluding IFRS 16 amounted to SEK 57 M, which was a new record for a quarter and SEK 52 M higher than last year. Profit for the Car Business in the second quarter was however again negatively impacted by far fewer deliveries in sales of new cars. Pleasingly, the order intake was higher than last year, and the order backlog adjusted for acquired operations, was approximately 1,900 cars more than at the beginning of the year and nearly 3,100 cars more than last year.

Continued growth for the Service Business and service subscriptions

Demand for service remained high and the Service Business reported growth of 2 per cent for the second quarter and 4 per cent for the first half-year, adjusted for comparable operations and working days. The high level of sales of new cars in recent years is positive for growth in our Service Business also in the future. The Service Business reported a profit excluding IFRS 16 that was SEK 2 M higher than last year despite there being one working day less in Sweden and Germany, and two less in Norway and Luxembourg than last year. The number of service subscriptions is continuing to grow. They make life easier for our customers at a favourable price and allow us to offer customers further services for their cars' needs. At the end of the second quarter we had around 110,000 customers with service subscriptions for new and used cars, an increase of 4.7 per cent since the beginning of the year.

How does the selection of car contribute to a more sustainable society?

In all the countries where we operate we are seeing an increased focus on sustainability, along with related discussions about how we can adapt the way we use cars to contribute to a sustainable world. Several countries have introduced tax benefits for eco-friendly cars. In Norway there is an increase in electric, plug-in and hybrid cars, and in the first half of 2019 such cars accounted for 68 per cent of registrations. Interest in these cars has also risen in Sweden and Western Europe. When choosing a car from a sustainability perspective, the choice of fuel type is important, which is not easy today. Crucial is how you as customer uses your car, those who drive short distances and have access to charging facilities should ideally choose an electric, plug-in or hybrid car, while those who drive longer distances and do not have access to charging facilities would do better with a hybrid, petrol or diesel car. There are also future alternatives, such as fuel cells, which are increasingly coming into the limelight. By understanding our customers' needs, we suggest the best fuel type to suit each customer today – to contribute to a more sustainable society.

Per Avander, Managing Director and CEO

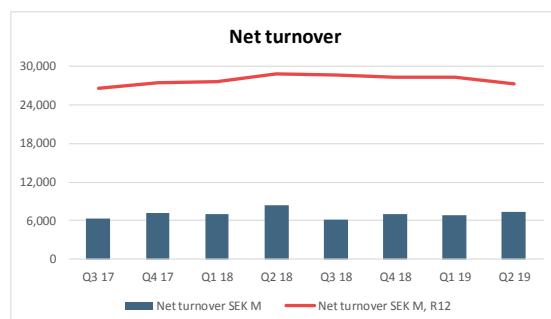
Group results

Net turnover and earnings

Second quarter 2019

Net turnover amounted to SEK 7,426 M (8,329). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by approximately 14 per cent.

Operating profit amounted to SEK 280 M (274) and SEK 270 M excluding IFRS 16. **Operational earnings** amounted to SEK 306 M (299) and SEK 296 M excluding IFRS 16. The operational margin was 4.1 per cent (3.6) and 4.0 per cent excluding IFRS 16. The Service Business posted a profit slightly above last year's figure, despite there being one working day less in Sweden and Germany, and two less in Norway and Luxembourg than last year. Adjusted growth was 2 per cent in Sweden and Norway. The Car Business reported a profit somewhat lower than last year, and this was attributable to a 20 per cent underlying drop in deliveries in the sale of new cars. Sales of used cars, however, generated a substantially improved profit compared to last year of SEK 52 M, which was mainly attributable to a higher gross profit margin.



The Group's underlying overheads remained unchanged compared with last year. Overheads amounted to 13.2 per cent in relation to net turnover, which was 1.8 percentage points higher than last year. As a result of the profit level and customer satisfaction during the quarter, a provision of SEK 6 M (5) was made for employee bonuses in Sweden.

The operation in Sweden reported a profit of SEK 220 M (226) and SEK 214 M excluding IFRS 16. The margin amounted to 4.9 per cent (4.2) and 4.7 per cent excluding IFRS 16. Profit in the Norwegian operation amounted to SEK 80 M (71) and SEK 76 M excluding IFRS 16. The margin amounted to 4.5 per cent (3.4) and 4.2 per cent excluding IFRS 16. The operation in Western Europe reported a profit of SEK 25 M (20) and SEK 24 M excluding IFRS 16. The margin amounted to 2.2 per cent (2.2) and 2.2 per cent excluding IFRS 16. Operating loss for the Parent Company in the second quarter amounted to SEK -22 M (-22).

Profit for the period amounted to SEK 203 M (216) and SEK 210 M excluding IFRS 16. Earnings per share amounted to SEK 2.05 (2.15). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 98 during the second quarter and amounted to 4,948. Adjusted for acquired operations, the number of employees increased by 41.

First six months 2019

Net turnover amounted to SEK 14,300 M (15,307). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by approximately 10 per cent.

Operating profit amounted to SEK 491 M (470) and SEK 470 M excluding IFRS 16. **Operational earnings** amounted to SEK 544 M (517) and SEK 523 M excluding IFRS 16. The operational margin was 3.8 per cent (3.4) and 3.7 per cent excluding IFRS 16. The Service Business reported a profit that was higher than last year, mainly attributable to adjusted growth of just over 4 per cent in Sweden and Norway. The Car Business reported a lower profit than last year, attributable to a 16 per cent drop in underlying deliveries in the sale of new cars. Sales of used cars, however, generated a far higher profit than last year of SEK 94 M, which was attributable to a higher turnover and gross profit margin.

The Group's underlying overheads were on a par with last year. Overheads amounted to 13.4 per cent in relation to net turnover, which was 1.4 percentage points higher than last year. As a result of the profit level and customer satisfaction during the first six months, a provision of SEK 14 M (11) was made for employee bonuses in Sweden.

The operation in Sweden reported a profit of SEK 407 M (390) and SEK 395 M excluding IFRS 16. The margin amounted to 4.7 per cent (4.0) and 4.6 per cent excluding IFRS 16. Profit in the Norwegian operation amounted to SEK 140 M (131) and SEK 132 M excluding IFRS 16. The margin amounted to 4.0 per cent (3.3) and 3.8 per cent excluding IFRS 16. The operation in Western Europe reported a profit of SEK 31 M (25) and SEK 30 M excluding IFRS 16. The margin amounted to 1.4 per cent (1.5) and 1.4 per cent excluding IFRS 16. The operating loss for the Parent Company in the first six months amounted to SEK -39 M (-37).

Profit for the period amounted to SEK 357 M (362) and SEK 371 M excluding IFRS 16. Earnings per share amounted to SEK 3.55 (3.60). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 163 to 4,948 during the first six months of the year. Adjusted for acquired operations, the number of employees increased by 90.

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	4,512	5,356	8,637	9,663	16,716	17,742
Norway	1,786	2,066	3,517	3,977	7,013	7,473
Western Europe	1,122	902	2,134	1,657	3,620	3,143
Parent Company, other	6	5	12	10	26	24
Total	7,426	8,329	14,300	15,307	27,375	28,382

Operational earnings by geographic market

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	220	226	407	390	786	769
Norway	80	71	140	131	267	258
Western Europe	25	20	31	25	79	73
Parent Company, other	-19	-18	-34	-29	-71	-66
Total	306	299	544	517	1,061	1,034

Operational earnings by geographic market, excluding IFRS 16

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	214	226	395	390	774	769
Norway	76	71	132	131	259	258
Western Europe	24	20	30	25	78	73
Parent Company, other	-18	-18	-34	-29	-71	-66
Total	296	299	523	517	1,040	1,034

Margin by geographic market

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	4.9	4.2	4.7	4.0	4.7	4.3
Norway	4.5	3.4	4.0	3.3	3.8	3.5
Western Europe	2.2	2.2	1.4	1.5	2.2	2.3
Parent Company, other	-	-	-	-	-	-
Total	4.1	3.6	3.8	3.4	3.9	3.6

Margin by geographic market, excluding IFRS 16

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	4.7	4.2	4.6	4.0	4.6	4.3
Norway	4.2	3.4	3.8	3.3	3.7	3.5
Western Europe	2.2	2.2	1.4	1.5	2.2	2.3
Parent Company, other	-	-	-	-	-	-
Total	4.0	3.6	3.7	3.4	3.8	3.6

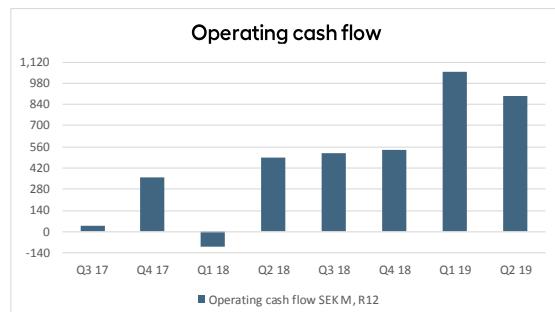
Net financial items and tax

Net financial items for the second quarter amounted to SEK -29 M (-4) and SEK -9 M excluding IFRS 16.

Tax for the second quarter amounted to SEK -48 M (-54), and the effective tax rate was 19 per cent (20).

Operating cash flow

Operating cash flow for the second quarter amounted to SEK 339 M (497). **Operating cash flow** excluding IFRS 16 for the second quarter amounted to SEK 226 M. After acquisitions and disposals of operations and changes in financial assets, cash flow for the second quarter amounted to SEK 292 M (497). The corresponding figure excluding IFRS 16 was SEK 179 M.



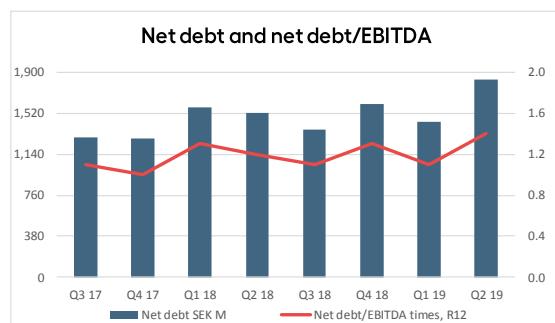
Financial position

The **balance sheet total** increased by SEK 2,640 M during the first six months of 2019, amounting to SEK 14,711 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 2,525 M.

Equity decreased by SEK 73 M during the first half of 2019, amounting to SEK 2,842 M. A dividend of SEK 483 M was paid to the shareholders during the second quarter.

The **equity/assets ratio** amounted to 19 per cent (22), and 23 per cent excluding IFRS 16.

Net debt increased by SEK 2,750 M during the first half of 2019, amounting to SEK 4,353 M. The increase can mainly be explained by the introduction of the new accounting standard IFRS 16. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 1,831 M, an increase of SEK 228 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 255 M. The ratio of net debt to EBITDA including IFRS 16 was 2.8 times compared with 1.2 times in the previous year. The ratio of net debt to EBITDA excluding IFRS 16 was 1.4 times.



Excluding IFRS 16

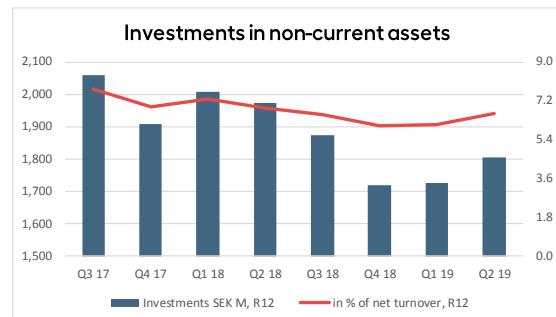
Liquidity remained good, and at the end of June a liability to the banks (Nordea and DNB) of SEK 195 M (191) was reported. Bilia's combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

Investments (excluding right-of-use assets)

Acquisitions of non-current assets during the second quarter amounted to SEK 55 M (61) **excluding lease vehicles** and SEK 635 M (555) **including lease vehicles**. Replacement investments represented SEK 8 M (12), expansion investments SEK 14 M (13), environmental investments SEK 15 M (3), investments in new construction and additions to properties SEK 11 M (19), finance leases SEK 7 M (14) and lease vehicles SEK 580 M (494).

Investments in non-current assets by geographic market

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	521	377	797	746	1,207	1,156
Norway	72	146	240	220	425	405
Western Europe	9	7	13	11	59	57
Parent Company, other	33	25	60	46	114	100
Total	635	555	1,110	1,023	1,805	1,718



Excluding right-of-use assets

Notable events

Events during the second quarter

- No notable events occurred during the second quarter.

Events during the first quarter

- 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 centres in 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 centre, a bodyshop and a centre 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.

Notable events after the balance sheet date

- No significant events have occurred after the end of the quarter.

Further information about the above-mentioned events along with other press information is available at bilia.com.

Service Business

Strong results considering number of working days during the quarter

Second quarter 2019

- Turnover amounted to SEK 1,750 M (1,697), an increase of 3 per cent.
- Operational earnings amounted to SEK 217 M (209), and SEK 211 M excluding IFRS 16.
- The margin amounted to 12.4 per cent (12.3) and 12.1 per cent excluding IFRS 16.

First six months 2019

- Turnover amounted to SEK 3,454 M (3,258), an increase of 6 per cent.
- Operational earnings amounted to SEK 435 M (378) and SEK 423 M excluding IFRS 16.
- The margin amounted to 12.6 per cent (11.6) and 12.3 per cent excluding IFRS 16.

Turnover and earnings

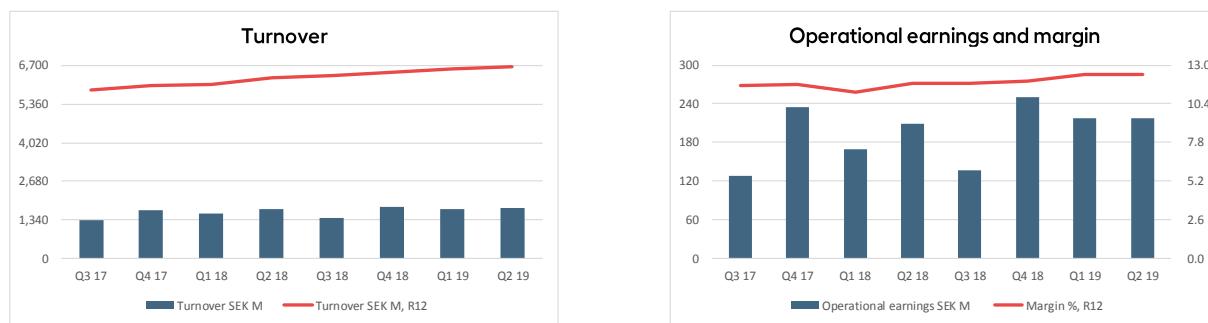
Second quarter 2019

The Service Business continued to grow during the second quarter and the adjusted turnover for Sweden and Norway increased by 2 per cent. There was one less working day in Sweden and Germany, and two less in Norway and Luxembourg than in the previous year. Adjusted turnover was negatively impacted during the second quarter by 20 per cent fewer underlying deliveries in sales of new cars compared with last year.

Growth in the Service Business

Per cent	Second quarter			First six months		
	Sweden	Norway	Total	Sweden	Norway	Total
<i>Change from last year</i>						
Reported turnover	0.9	1.6	3.1	3.9	5.8	6.0
Underlying turnover	0.9	-3.2	-0.1	3.9	1.5	3.3
Calendar effect	1.7	3.3	2.1	0.8	0.8	0.8
Adjusted turnover	2.6	0.1	2.0	4.7	2.3	4.1

Bearing in mind that there were fewer working days during the second quarter, Service Business's profit continued to grow and operational earnings excluding IFRS 16 increased by SEK 2 M. Operational earnings amounted to SEK 217 M (209) and SEK 211 M excluding IFRS 16, with a margin of 12.4 per cent (12.3) and 12.1 per cent excluding IFRS 16.



At the end of the second quarter Bilia had approximately 110,000 (101,000) customers with service subscriptions, and just over 318,000 (289,000) wheels in storage for customers.

Adjusted turnover for the Service Business in Sweden increased by just under 3 per cent and operational earnings amounted to SEK 142 M (136), and SEK 139 M excluding IFRS 16. Adjusted turnover for the Service Business in Norway was on a par with last year and operational earnings amounted to SEK 52 M (52), and SEK 50 M excluding IFRS 16. Adjusted turnover in Western Europe increased by almost 5 per cent and operational earnings amounted to SEK 23 M (21), and SEK 22 M excluding IFRS 16.

Turnover by geographic market

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	1,109	1,098	2,198	2,116	4,230	4,148
Norway	439	432	868	820	1,680	1,632
Western Europe	202	167	388	322	739	673
Total	1,750	1,697	3,454	3,258	6,649	6,453

Operational earnings by geographic market

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	142	136	291	248	563	520
Norway	52	52	108	93	191	176
Western Europe	23	21	36	37	69	70
Total	217	209	435	378	823	766

Operational earnings by geographic market, excluding IFRS 16

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	139	136	284	248	556	520
Norway	50	52	104	93	187	176
Western Europe	22	21	35	37	68	70
Total	211	209	423	378	811	766

Margin by geographic market

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	12.8	12.3	13.2	11.7	13.3	12.5
Norway	11.9	12.1	12.5	11.3	11.4	10.8
Western Europe	11.1	12.4	9.2	11.2	9.3	10.4
Total	12.4	12.3	12.6	11.6	12.4	11.9

Margin by geographic market, excluding IFRS 16

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	12.5	12.3	12.9	11.7	13.1	12.5
Norway	11.5	12.1	12.0	11.3	11.1	10.8
Western Europe	11.0	12.4	9.1	11.2	9.2	10.4
Total	12.1	12.3	12.3	11.6	12.2	11.9

Car Business

New record result for sales of used cars offset a lower result for sales of new cars

Second quarter 2019

- Turnover amounted to SEK 5,654 M (6,632), a decrease of 15 per cent.
- Operational earnings amounted to SEK 102 M (102), and SEK 97 M excluding IFRS 16.
- The margin amounted to 1.8 per cent (1.5) and 1.7 per cent excluding IFRS 16.

First six months 2019

- Turnover amounted to SEK 10,868 M (12,095), a decrease of 10 per cent.
- Operational earnings amounted to SEK 126 M (148) and SEK 117 M excluding IFRS 16.
- The margin amounted to 1.2 per cent (1.2) and 1.1 per cent excluding IFRS 16.

Turnover and earnings

Second quarter 2019

The Car Business's deliveries of new and used cars, adjusted for comparable operations, decreased by 20 and 2 per cent respectively compared with last year.

The order intake of new cars for the Group, adjusted for comparable operations, was pleasingly 3 per cent higher than last year. The underlying order backlog increased by 1,891 cars during the first half-year and amounted to 11,579 cars, which underlying was 3,051 cars more or 37 per cent higher than last year.

New cars by geographic market

Number of	Deliveries						Order backlog	
	Second quarter		First six months		July 18 - June 19	Full year 2018	30 June 2019	30 June 2018
	2019	2018	2019	2018				
Sweden	9,124	11,738	16,573	20,255	31,278	34,960	7,961	5,031
Norway ¹⁾	2,153	2,612	4,433	5,327	9,002	9,896	2,494	2,104
Western Europe ²⁾	1,801	1,536	3,408	2,692	6,184	5,468	1,124	1,189
Total	13,078	15,886	24,414	28,274	46,464	50,324	11,579	8,324

¹⁾ Jensen & Scheele Bil AS is included in deliveries during the quarter with 42 (-) and during the first six months with 42 (-) and with 42 (-) in order backlog.

²⁾ Verstraeten and Gent Store by Verstraeten are included in deliveries during the quarter with 261 (-) and during the first six months with 535 (-) and with 162 (-) in order backlog.

Used cars by geographic market

Number of	Deliveries					
	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	8,599	8,929	16,461	16,931	33,317	33,787
Norway ¹⁾	2,746	2,436	5,328	5,137	9,991	9,800
Western Europe ²⁾	1,561	1,333	3,073	2,534	5,065	4,526
Total	12,906	12,698	24,862	24,602	48,373	48,113

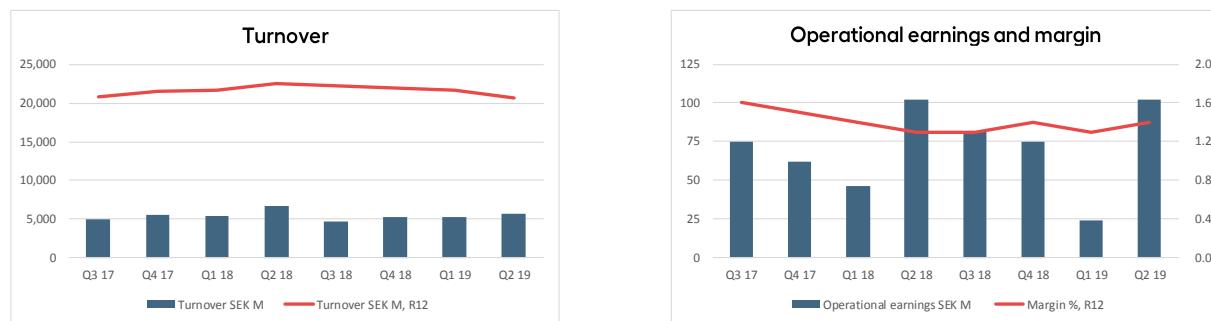
¹⁾ Jensen & Scheele Bil AS is included during the quarter with 172 (-) and during the first six months with 172 (-).

²⁾ Verstraeten and Gent Store by Verstraeten are included during the quarter with 257 (-) and during the first six months with 510 (-).

Adjusted for comparable operations and exchange rate fluctuations, turnover during the second quarter was approximately 19 per cent lower than last year, attributable to fewer deliveries of new cars. The lower number of new cars delivered during the second quarter impacted negatively on Car Business profits, and profit from the sales of new cars was SEK 57 M lower compared with last year.

Profit from the sale of used cars, however, set a new record in the second quarter and was SEK 52 M up on the previous year. The improved profit was mainly attributable to a higher gross profit margin. Operational earnings from sales of used cars, excluding IFRS 16, amounted to SEK 57 M (5). The turnover rate of the stock of used cars has remained a priority and was at a high level.

All in all, operational earnings for the Car Business were on a par with last year and amounted to SEK 102 M (102), and SEK 97 M excluding IFRS 16.



The Car Business in Sweden reported operational earnings SEK 12 M lower (SEK 15 M excluding IFRS 16) than last year, mainly attributable to lower turnover due to 22 per cent fewer deliveries of new cars. Profit from sales of used cars excluding IFRS 16 was SEK 27 M up on last year and amounted to SEK 42 M (15). The improvement was mainly attributable to a higher gross profit margin. The number of used cars in stock was at a favourable level.

Operational earnings for the Car Business in Norway were SEK 9 M higher than last year (SEK 7 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 16 M (loss: -4). The number of used cars in stock was slightly high. Profit on sales of new cars excluding IFRS 16 was negatively affected by 19 per cent fewer underlying deliveries of new cars.

Operational earnings for the Car Business in Western Europe were SEK 3 M higher than last year (SEK 3 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 -1 M (loss: -6). Profit on sales of new cars excluding IFRS 16 was negatively affected by a lower gross profit margin.

	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
SEK M						
Sweden	3,266	4,127	6,221	7,335	12,029	13,143
Norway	1,447	1,751	2,857	3,386	5,771	6,300
Western Europe	941	754	1,790	1,374	2,961	2,545
Total	5,654	6,632	10,868	12,095	20,761	21,988

Operational earnings by geographic market

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	72	84	99	122	196	219
Norway	28	19	32	38	76	82
Western Europe	2	-1	-5	-12	10	3
Total	102	102	126	148	282	304

Operational earnings by geographic market, excluding IFRS 16

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	69	84	94	122	191	219
Norway	26	19	28	38	72	82
Western Europe	2	-1	-5	-12	10	3
Total	97	102	117	148	273	304

Margin by geographic market

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	2.2	2.0	1.6	1.7	1.6	1.7
Norway	1.9	1.1	1.1	1.1	1.3	1.3
Western Europe	0.2	-0.1	-0.3	-0.9	0.3	0.1
Total	1.8	1.5	1.2	1.2	1.4	1.4

Margin by geographic market, excluding IFRS 16

Per cent	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Sweden	2.1	2.0	1.5	1.7	1.6	1.7
Norway	1.8	1.1	1.0	1.1	1.2	1.3
Western Europe	0.2	-0.1	-0.3	-0.9	0.3	0.1
Total	1.7	1.5	1.1	1.2	1.3	1.4

Fuel Business

Continued growth in operations

Second quarter 2019

- Turnover amounted to SEK 362 M (342), an increase of 6 per cent.
- Operational earnings amounted to SEK 6 M (6).
- The margin was 1.5 per cent (1.8).

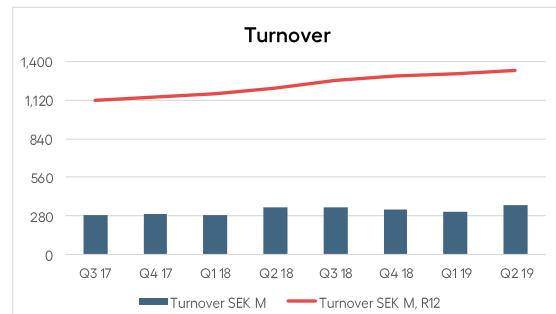
First six months 2019

- Turnover amounted to SEK 669 M (631), an increase of 6 per cent.
- Operational earnings amounted to SEK 17 M (20).
- The margin was 2.5 per cent (3.2).

Turnover and earnings

Second quarter 2019

The Fuel Business is concentrated mainly in Sweden and profit for the second quarter amounted to SEK 6 M (6).



	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Total	362	342	669	631	1,335	1,297

	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Total	6	6	17	20	27	30

	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Total	1.5	1.8	2.5	3.2	2.0	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 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.

Accounts - Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Second quarter		First six months		July 18 - June 19 ¹⁾	Full year 2018
	2019	2018	2019 ¹⁾	2018		
Net turnover	7,426	8,329	14,300	15,307	27,375	28,382
Costs of goods sold	-6,169	-7,097	-11,898	-12,989	-22,716	-23,807
Gross profit	1,257	1,232	2,402	2,318	4,659	4,575
Other operating income	5	0	6	2	10	6
Selling and administrative expenses	-980	-954	-1,905	-1,841	-3,686	-3,622
Other operating expenses	-2	-4	-12	-9	-19	-16
Operating profit ¹⁾	280	274	491	470	964	943
Financial income	1	1	12	2	12	2
Financial expenses	-40	-18	-78	-33	-109	-64
Shares in profits of associated companies	10	13	18	19	40	41
Profit before tax	251	270	443	458	907	922
Tax	-48	-54	-86	-96	-178	-188
Net profit for the period	203	216	357	362	729	734
Other comprehensive income/loss						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	17	26	55	81	5	31
Other comprehensive income/loss after tax	17	26	55	81	5	31
Comprehensive income for the period	220	242	412	443	734	765
Net profit for the period attributable to:						
Parent Company's shareholders	203	216	357	362	729	734
Comprehensive income for the period attributable to:						
Parent Company's shareholders	220	242	412	443	734	765
Weighted average number of shares, '000:						
- before dilution	100,951	100,951	100,951	100,951	100,951	100,951
- after dilution	101,054	100,986	101,054	100,969	101,056	101,013
Basic earnings/loss per share, SEK	2.05	2.15	3.55	3.60	7.20	7.25
Diluted earnings/loss per share, SEK	2.05	2.15	3.55	3.60	7.20	7.25
Weighted average number of own shares, '000	1,849	1,649	1,849	1,649	1,849	1,849
1) Straight-line amortisation/depreciation by asset class:						
- Intellectual property	-31	-25	-61	-49	-112	-100
- Land and buildings	-14	-12	-27	-22	-63	-58
- Equipment, tools, fixtures and fittings	-28	-26	-55	-52	-96	-93
- Leased vehicles	-100	-104	-202	-208	-421	-427
- Right-of-use assets	-113	0	-225	0	-225	0
Total	-286	-167	-570	-331	-917	-678

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retrospective 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	30 June 2019 ¹⁾	31 December 2018	30 June 2018
Assets			
Non-current assets			
Intangible assets			
Intellectual property	698	670	593
Goodwill	868	842	776
	1,566	1,512	1,369
Property, plant and equipment			
Land and buildings	740	726	600
Construction in progress	101	83	48
Equipment, tools, fixtures and fittings	510	500	478
Leased vehicles ¹⁾	3,210	2,958	3,091
Right-of-use assets	2,621	-	-
	7,182	4,267	4,217
Long-term investments			
Financial investments ¹⁾	419	449	426
Long-term receivables ²⁾	-	-	1
	419	449	427
Deferred tax assets	96	81	72
Total non-current assets	9,263	6,309	6,085
Current assets			
Inventories, merchandise	3,692	3,992	3,543
Current receivables			
Other receivables ¹⁾	1,511	1,456	1,872
Cash and cash equivalents ²⁾	245	314	149
Total current assets	5,448	5,762	5,564
TOTAL ASSETS	14,711	12,071	11,649
Equity and liabilities			
Equity			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	48	-7	43
Retained earnings including net profit for the year	2,370	2,498	2,133
Total equity	2,842	2,915	2,600
Non-current liabilities			
Bond issue ³⁾	1,285	1,281	1,005
Interest-bearing liabilities ⁴⁾	227	282	240
Lease liabilities ⁴⁾	2,107	-	-
Other liabilities and provisions ³⁾	2,272	2,083	2,251
	5,891	3,646	3,496
Current liabilities			
Interest-bearing liabilities ⁴⁾	959	776	855
Lease liabilities ⁴⁾	415	-	-
Other liabilities and provisions	4,604	4,734	4,698
	5,978	5,510	5,553
TOTAL EQUITY AND LIABILITIES	14,711	12,071	11,649
Assets			
¹⁾ Of which interest-bearing	410	441	419
²⁾ Interest-bearing	245	314	150
Liabilities			
³⁾ Of which interest-bearing	1,300	1,300	1,000
⁴⁾ Interest-bearing	3,708	1,058	1,095

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retrospective 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	30 June 2019 ¹⁾	31 December 2018	30 June 2018
Opening balance	2,915	2,620	2,620
Cash dividend to shareholders	-483	-456	-456
Incentive programme	0	1	0
Revaluation of put option	-2	-15	-7
Comprehensive income for the year	412	765	443
Equity at end of period	2,842	2,915	2,600

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retrospective 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	Second quarter		First six months		July 18 - June 19 ¹⁾	Full year 2018
	2019	2018	2019 ¹⁾	2018		
Operating activities						
Profit before tax	251	270	443	458	907	922
Depreciation and impairment losses	286	167	570	331	982	743
Other items not affecting cash	49	-7	49	-15	25	-39
Tax paid	-80	-53	-192	-106	-266	-180
Change in inventories	279	304	428	28	-42	-442
Change in operating receivables	-103	-363	-90	-302	340	128
Change in operating liabilities	-226	325	-180	283	-468	-5
Kassaflöde från den löpande verksamheten	456	643	1,028	677	1,478	1,127
Investing activities						
Acquisition of non-current assets (intangible and tangible)	-55	-61	-118	-137	-252	-271
Disposal of non-current assets (intangible and tangible)	8	0	13	0	47	34
Acquisition of leased vehicles	-580	-494	-992	-886	-1,553	-1,447
Disposal of leased vehicles	508	409	748	669	1,178	1,099
Acquisition of right-of-use assets	-2	0	-4	0	-4	0
Disposal of right-of-use assets	4	0	4	0	4	0
<i>Operating cash flow</i>	<i>339</i>	<i>497</i>	<i>679</i>	<i>323</i>	<i>898</i>	<i>542</i>
Investment in financial assets	0	-1	-3	-1	-5	-3
Disposal of financial assets	2	1	2	1	3	2
Acquisition of subsidiary/operation, net	-49	0	-67	-51	-350	-334
Disposal of subsidiary/operation, net	0	0	0	0	0	0
Cash flow from investing activities	-164	-146	-417	-405	-932	-920
Cash flow after net investments	292	497	611	272	546	207
Financing activities						
Borrowings	395	2,035	970	2,683	1,669	3,382
Repayment of loans	-279	-2,021	-900	-2,522	-1,331	-2,953
Repayment of lease liabilities	-15	-15	-31	-29	-62	-60
Lease liabilities entered IFRS 16	2	0	4	0	4	0
Repayment of lease liabilities IFRS 16	-116	0	-245	0	-245	0
Revaluation of put option	0	-1	0	-7	-8	-15
Dividend paid to the company's shareholders	-483	-456	-483	-456	-483	-456
Cash flow from financing activities	-496	-458	-685	-331	-456	-102
Change in cash and cash equivalents, excl. translation differences						
Exchange difference in cash and cash equivalents	2	1	5	6	6	7
Change in cash and cash equivalents	-202	40	-69	-53	96	112
Cash and cash equivalents at start of period	447	109	314	202	149	202
Cash and cash equivalents at end of period	245	149	245	149	245	314

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retrospective 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 retrospective 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 estimated 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 the first six months of 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		Including IFRS 16	
	First six months	2019	IFRS 16	First six months
Net turnover	14,300	-	14,300	
Gross profit	2,394	8	2,402	
Other operating income	6	-	6	
Selling and administrative expenses	-1,918	13	-1,905	
Other operating expenses	-12	-	-12	
Operating profit	470	21	491	
Net financial items	-9	-39	-48	
Profit before tax	461	-18	443	
Deferred tax	19	4	23	
Tax	-109	-	-109	
Net profit for the period	371	-14	357	
Translation differences attributable to foreign operations	55	0	55	
Comprehensive income for the period	426	-14	412	
Total amortisation/depreciation	-345	-225	-570	

Consolidated statement of financial position, summary

MSEK	Excluding IFRS 16		Including IFRS 16	
	30 June 2019	30 June 2019	30 June 2019	30 June 2019
Assets				
Intangible assets	1,566	-	1,566	
Right-of-use assets	-	2,621	2,621	
Other property, plant and equipment	4,561	-	4,561	
Long-term investments	419	-	419	
Deferred tax assets	92	4	96	
Total non-current assets	6,638	2,625	9,263	
Total current assets	5,548	-100	5,448	
TOTAL ASSETS	12,186	2,525	14,711	
Equity and liabilities				
Total equity	2,856	-14	2,842	
Bond issue	1,285	-	1,285	
Interest-bearing liabilities	227	2,107	2,334	
Other liabilities and provisions	2,272	-	2,272	
Total non-current liabilities	3,784	2,107	5,891	
Interest-bearing liabilities	959	415	1,374	
Other liabilities and provisions	4,587	17	4,604	
Total current liabilities	5,546	432	5,978	
TOTAL EQUITY AND LIABILITIES	12,186	2,525	14,711	

Consolidated statement of cash flows, summary

MSEK	Excluding IFRS 16		Including IFRS 16	
	First six months	2019	IFRS 16	First six months
Profit before tax	461	-18	443	
Depreciation and impairment losses	345	225	570	
Other items not affecting cash	49	-	49	
Tax paid	-192	-	-192	
Change in inventories and in operating receivables/liabilities	124	34	158	
Cash flow from operating activities	787	241	1,028	
Acquisition/disposal of non-current assets	-349	0	-349	
<i>Operating cash flow</i>	<i>438</i>	<i>241</i>	<i>679</i>	
Investment in/disposal of financial assets	-1	-	-1	
Acquisition/disposal of subsidiary/operation, net	-67	-	-67	
Cash flow from investing activities	-417	0	-417	
Cash flow after net investments	370	241	611	
Borrowings	970	4	974	
Repayment of loans	-931	-245	-1,176	
Dividend paid to the company's shareholders	-483	-	-483	
Cash flow from financing activities	-444	-241	-685	
Change in cash and cash equivalents	-74	0	-74	

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

Note 2 Fair value of financial instruments

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

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

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

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

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

Currency derivatives are recognised as financial assets and liabilities and are measured at fair value in accordance with Level 2. The value of the currency derivatives is not material and does not constitute a significant item in the Consolidated Statement of Financial Position. Measurement of the currency derivatives at fair value has resulted in a cost of SEK 0.5 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

“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.

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Operational earnings	306	299	544	517	1,061	1,034
- Gain from sale of operation	0	0	0	0	0	0
- Structural costs etc.	-2	-6	-4	-8	-4	-8
- Acquisition-related costs and value adjustments	0	-1	-2	-2	-6	-6
- Amortisation of surplus values	-24	-18	-47	-37	-87	-77
Operating profit	280	274	491	470	964	943

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Operational earnings, excluding IFRS 16	296	299	523	517	1,040	1,034
- Gain from sale of operation	0	0	0	0	0	0
- Structural costs etc.	-2	-6	-4	-8	-4	-8
- Acquisition-related costs and value adjustments	0	-1	-2	-2	-6	-6
- Amortisation of surplus values	-24	-18	-47	-37	-87	-77
Operating profit, excluding IFRS 16	270	274	470	470	943	943

Note 4 Group's operating segments

30 June 2019

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	2,751	10,868	669	14,288	12	14,300
Internal sales	703			703	-703	-
Total net turnover	3,454	10,868	669	14,991	-691	14,300
Depreciation/amortisation	-186	-355	-2	-543	-27	-570
Operational earnings/Operating profit/loss	435	126	17	578	-87	491
Interest income						12
Interest expenses						-78
Shares in profits of associated companies		18		18		18
Profit before tax						443
Tax expense for the period						-86
Net profit for the period						357
<i>Revenue and costs that affect comparability:</i>						
- Profit from sale of operation, other	0	0		0		0
- Structural costs etc.	-2	-2		-4		-4
- Acquisition-related costs and value adjustments	-1	-1		-2		-2
- Amortisation of surplus values	-24	-23		-47		-47
Total	-27	-26	-	-53	-	-53
Assets						
Interests in associated companies		410		410		410
Deferred tax assets						96
Other assets						14,205
Total assets						14,711
Investments in non-current assets	38	1,010	2	1,050	60	1,110
Liabilities						
Equity						2,842
Liabilities						11,869
Total liabilities and equity						14,711

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	1,750	657	344	6,221	2,857	1,790
Internal sales	448	211	44			
Total turnover	2,198	868	388	6,221	2,857	1,790
Depreciation/amortisation	-108	-49	-29	-273	-54	-28
Operational earnings	291	108	36	99	32	-5
Shares in profits of associated companies				18		
<i>Revenue and costs that affect comparability:</i>						
- Profit from sale of operation, other						
- Structural costs etc.	-2			-2		
- Acquisition-related costs and value adjustments	-1					-1
- Amortisation of surplus values	-6	-5	-13	-6	-6	-11
Total	-9	-5	-13	-8	-6	-12
Interests in associated companies				410		
Investments in non-current assets	14	21	3	781	219	10

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	8,649	7,089
Norway	3,517	2,252
Germany	632	137
Luxembourg	696	638
Belgium	806	651
Segment reconciliation	0	-1,600
Total	14,300	9,167

30 June 2018

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	2,571	12,095	631	15,297	10	15,307
Internal sales	687			687	-687	-
Total net turnover	3,258	12,095	631	15,984	-677	15,307
Depreciation/amortisation	-55	-253	-2	-310	-21	-331
Operational earnings/Operating profit/loss	378	148	20	546	-76	470
Interest income					2	
Interest expenses					-33	
Shares in profits of associated companies		19		19		19
Profit before tax						458
Tax expense for the period						-96
Net profit for the period						362
<i>Revenue and costs that affect comparability:</i>						
- Profit from sale of operation, other	0	0		0		0
- Structural costs etc.	-4	-4		-8		-8
- Acquisition-related costs and value adjustments	-1	-1		-2		-2
- Amortisation of surplus values	-18	-19		-37		-37
Total	-23	-24	-	-47	-	-47
Assets						
Interests in associated companies		419		419		419
Deferred tax assets					72	
Other assets						11,158
Total assets						11,649
Investments in non-current assets	46	927	4	977	46	1,023
Liabilities						
Equity						2,600
Liabilities						9,049
Total liabilities and equity						11,649

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	1,700	588	283	7,335	3,386	1,374
Internal sales	416	232	39			
Total turnover	2,116	820	322	7,335	3,386	1,374
Depreciation/amortisation	-32	-10	-13	-222	-18	-13
Operational earnings	248	93	37	122	38	-12
Shares in profits of associated companies				19		
Revenue and costs that affect comparability:						
- Profit from sale of operation, other						
- Structural costs etc.	-2	-1	-1	-2	0	-2
- Acquisition-related costs and value adjustments	-1	0			-1	
- Amortisation of surplus values	-6	-4	-8	-6	-4	-9
Total	-9	-5	-9	-8	-5	-11
Interests in associated companies				419		
Investments in non-current assets	37	7	2	705	213	9

SEK M	Revenues from	Non-current
	customers	assets
Geographical segments		
Sweden	9,673	5,520
Norway	3,977	1,107
Germany	538	82
Luxembourg	675	625
Belgium	444	275
Segment reconciliation	0	-1,596
Total	15,307	6,013

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 preliminary net assets at the acquisition date:

SEK M	Jensen & Scheele Bil AS
Intangible assets	46
Property, plant and equipment	165
Long-term investments	0
Deferred tax asset	1
Inventories	52
Trade receivables and other receivables	14
Cash and cash equivalents	2
Interest-bearing liabilities	22
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 acquisition of an authorised service business in Furubakken, Norway in 2019 did not have a material effect on the Group, which is why the acquisition analysis was not reported.

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

Specification of interest-bearing net debt/receivable

SEK M	30 June 2019	31 December 2018	30 June 2018
Current interest-bearing liabilities	959	776	855
Non-current interest-bearing liabilities	1,527	1,582	1,240
Lease liabilities IFRS 16	2,522	-	-
Cash and cash equivalents	-245	-314	-149
Interest-bearing assets	0	-	-1
Interests in associated companies	-410	-441	-419
Net debt(+)/receivable(-) at end of period/year	4,353	1,603	1,526
Net debt(+)/receivable(-) at end of period/year, excluding IFRS 16	1,831	1,603	1,526

The ratio of net debt to EBITDA

SEK M	30 June 2019	31 December 2018	30 June 2018
Operational earnings	544	1,034	517
Operational earnings, excluding IFRS 16	523	1,034	517
Total depreciation/amortisation	570	678	331
-amortisation of surplus values	-47	-77	-37
-depreciation of right-of-use assets	-225	-	-
-depreciation of leased vehicles with repurchase agreements	-172	-366	-181
Depreciation/amortisation added back	351	235	113
Depreciation/amortisation added back, excluding IFRS 16	126	235	113
EBITDA	895	1,269	630
EBITDA, excluding IFRS 16	649	1,269	630
The ratio of net debt to EBITDA rolling 12 months, times	2.8	1.3	1.2
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	1.4	1.3	1.2

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Second quarter		First six months		July 18 - June 19	Full year 2018
	2019	2018	2019	2018		
Net turnover	130	118	260	236	509	485
Administrative expenses	-152	-140	-299	-273	-581	-555
Operating loss¹⁾	-22	-22	-39	-37	-72	-70
<i>Result from financial items</i>						
Income from interests in Group companies	128	69	128	69	116	57
Interest income from Group companies	15	14	30	27	49	46
Other interest income and similar line items	0	0	11	1	10	0
Interest expenses to Group companies	0	0	0	0	0	0
Interest expenses and similar line items	-13	-10	-23	-17	-39	-33
Loss after financial items	108	51	107	43	64	0
Appropriations	0	0	0	0	573	573
Profit before tax	108	51	107	43	637	573
Tax	4	0	5	-2	-105	-112
Net profit for the year	112	51	112	41	532	461
<i>¹⁾ Straight-line amortisation/depreciation by asset class:</i>						
- Intellectual property	0	0	0	0	-1	-1
- Buildings	-3	-2	-6	-5	-11	-10
- Equipment, tools, fixtures and fittings	0	0	0	0	0	0
Total	-3	-2	-6	-5	-12	-11

Balance Sheet for Parent Company, Summary

SEK M	30 June 2019	31 December 2018	30 June 2018
Assets			
Non-current assets			
Intangible assets			
Intellectual property	0	0	1
	0	0	1
Property, plant and equipment			
Buildings	94	76	77
Construction in progress	100	82	47
Equipment, tools, fixtures and fittings	3	3	3
	197	161	127
Long-term investments			
Interests in Group companies	1,328	1,328	1,328
Other securities held as non-current assets	1	1	0
Deferred tax asset	50	45	42
	1,379	1,374	1,370
Total non-current assets	1,576	1,535	1,498
Current assets			
Current receivables			
Receivables from Group companies	445	1,922	13
Other receivables	174	99	144
Cash on hand and demand deposits	973	82	1,266
	1,592	2,103	1,423
TOTAL CURRENT ASSETS	3,168	3,638	2,921
Equity and liabilities			
Equity			
Restricted equity			
Share capital	257	257	257
Statutory reserve	47	47	47
	304	304	304
Non-restricted equity			
Share premium reserve	167	167	167
Retained earnings including net profit for the year	442	809	388
	609	976	555
Total equity	913	1,280	859
Untaxed reserves	727	727	622
Provisions			
Deferred tax liability	5	5	5
	5	5	5
Non-current liabilities			
Bond issue	1,285	1,281	1,005
Other liabilities	5	5	5
	1,290	1,286	1,010
Current liabilities			
Liabilities to credit institutes	-	42	200
Liabilities to Group companies	1	63	22
Other liabilities	232	235	203
	233	340	425
TOTAL EQUITY AND LIABILITIES	3,168	3,638	2,921

Quarterly review - 8 quarters

The Group

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Continuing operations								
Net turnover, SEK M	6,302	7,186	6,978	8,329	6,119	6,956	6,874	7,426
Operational earnings, SEK M	200	278	218	299	221	296	238	306
Operational margin, %	3.2	3.9	3.1	3.6	3.6	4.3	3.5	4.1
Operating profit, SEK M	181	258	196	274	201	272	211	280
Operating margin, %	2.9	3.6	2.8	3.3	3.3	3.9	3.1	3.8
Profit before tax, SEK M	176	252	188	270	197	267	192	251
The ratio of net debt to EBITDA, times ¹⁾	1.1	1.0	1.3	1.2	1.1	1.3	2.9	2.8
The Bilia Group								
Profit/loss for the period, SEK M	143	184	146	216	158	214	154	203
Return on capital employed, % ¹⁾	24.1	23.4	21.0	20.9	21.1	20.5	18.3	16.6
Return on equity, % ¹⁾	27.3	27.0	25.2	26.6	26.6	26.5	26.1	25.7
Equity/assets ratio, %	24	24	25	22	25	24	21	19
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.40 ³⁾	1.80 ⁵⁾	1.45	2.15	1.55	2.10	1.50	2.05
Equity	24 ⁴⁾	26	28	26	27	29	31	28

1) Rolling 12 months.

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

3) Based on weighted average number of shares outstanding during third quarter, 102,326,267.

4) Based on number of shares outstanding at 30 September 2017, 101,575,952.

5) Based on weighted average number of shares outstanding during fourth quarter, 101,221,876.

Business area – Service Business

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Turnover, SEK M	1,317	1,695	1,561	1,697	1,405	1,790	1,704	1,750
Operational earnings, SEK M	128	235	169	209	137	251	218	217
Margin, %	9.7	13.9	10.8	12.3	9.8	14.0	12.8	12.4
Adjusted turnover, growth in %	12.0	7.1	3.1	8.2	2.1	4.3	6.4	2.0

Business area – Car Business

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Turnover, SEK M	4,961	5,575	5,463	6,632	4,655	5,238	5,214	5,654
Operational earnings, SEK M	75	62	46	102	81	75	24	102
Margin, %	1.5	1.1	0.9	1.5	1.7	1.4	0.5	1.8
New cars delivered, number	11,480	13,317	12,388	15,886	9,672	12,378	11,336	13,078
Order backlog of new cars, number ¹⁾	11,236	11,246	12,560	8,324	9,880	9,646	12,385	11,579
Used cars delivered, number	11,701	11,486	11,904	12,698	12,358	11,153	11,956	12,906

1) Figures published Q3 17 - Q1 18 for Western Europe have been corrected.

Business area – Fuel Business

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Turnover, SEK M	284	293	289	342	339	327	307	362
Operational earnings, SEK M	6	7	14	6	5	5	11	6
Margin, %	2.3	2.3	4.8	1.8	1.5	1.4	3.6	1.5

Quarterly review - 8 quarters, excluding IFRS 16

The Group

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Continuing operations								
Net turnover, SEK M	6,302	7,186	6,978	8,329	6,119	6,956	6,874	7,426
Operational earnings, SEK M	200	278	218	299	221	296	227	296
Operational margin, %	3.2	3.9	3.1	3.6	3.6	4.3	3.3	4.0
Operating profit, SEK M	181	258	196	274	201	272	200	270
Operating margin, %	2.9	3.6	2.8	3.3	3.3	3.9	2.9	3.6
Profit before tax, SEK M	176	252	188	270	197	267	200	261
The ratio of net debt to EBITDA, times ¹⁾	1.1	1.0	1.3	1.2	1.1	1.3	1.1	1.4
The Bilia Group								
Profit/loss for the period, SEK M	143	184	146	216	158	214	161	210
Return on capital employed, % ¹⁾	24.1	23.4	21.0	20.9	21.1	20.5	20.0	19.6
Return on equity, % ¹⁾	27.3	27.0	25.2	26.6	26.6	26.5	26.4	26.1
Equity/assets ratio, %	24	24	25	22	25	24	25	23
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.40 ³⁾	1.80 ⁵⁾	1.45	2.15	1.55	2.10	1.50	2.05
Equity	24 ⁴⁾	26	28	26	27	29	31	28

¹⁾ Rolling 12 months.

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

³⁾ Based on weighted average number of shares outstanding during third quarter, 102,326,267.

⁴⁾ Based on number of shares outstanding at 30 September 2017, 101,575,952.

⁵⁾ Based on weighted average number of shares outstanding during fourth quarter, 101,221,876.

Business area – Service Business, excluding IFRS 16

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Turnover, SEK M	1,317	1,695	1,561	1,697	1,405	1,790	1,704	1,750
Operational earnings, SEK M	128	235	169	209	137	251	212	211
Margin, %	9.7	13.9	10.8	12.3	9.8	14.0	12.4	12.1
Adjusted turnover, growth in %	12.0	7.1	3.1	8.2	2.1	4.3	6.4	2.0

Business area – Car Business, including IFRS 16

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Turnover, SEK M	4,961	5,575	5,463	6,632	4,655	5,238	5,214	5,654
Operational earnings, SEK M	75	62	46	102	81	75	20	97
Margin, %	1.5	1.1	0.9	1.5	1.7	1.4	0.4	1.7
New cars delivered, number	11,480	13,317	12,388	15,886	9,672	12,378	11,336	13,078
Order backlog of new cars, number ¹⁾	11,236	11,246	12,560	8,324	9,880	9,646	12,385	11,579
Used cars delivered, number	11,701	11,486	11,904	12,698	12,358	11,153	11,956	12,906

¹⁾ Figures published Q3 17 - 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.

Structual 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/finances/#!15623/finances/performance-measures/.

Additional Bilia disclosures

Press and analyst meeting

On Thursday, 25 July 2019, 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 10:00 AM and a meeting in English at 13:00 PM. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

Contact

For further information please contact:

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

Calendar

Interim report July-September 2019: 25 October 2019

Year-end report for full year 2019: 12 February 2020

Interim report January-March 2020: 29 April 2020

Audit

This report has not been subjected to special examination by the auditors.

Prospective information

Prospective information in this report is based on management's expectations at the time of the report. Even if the Board of Directors and management find the expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary considerably compared with those foreseen in the prospective information due to such circumstances as a changed market situation for the Group's services or more generally changed conditions relating to the economy, markets and competition, changes in legal requirements and other political measures, as well as fluctuations in exchange rates. The company does not undertake to update or correct such prospective information other than what is stipulated by law.

Declaration

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

Gothenburg, 25 July 2019

Mats Qviberg
Chairman

Jan Pettersson
Deputy chairman

Ingrid Jonasson Blank
Board member

Gunnar Blomkvist
Board member

Anna Engebretsen
Board member

Eva Eriksson
Board member

Jack Forsgren
Board member

Mats Holgerson
Board member

Nicklas Paulson
Board member

Jon Risfelt
Board member

Dragan Mitrasinovic
*Board member appointed
by employee organisation*

Patrik Nordvall
*Board member appointed
by employee organisation*

Per Avander
Managing Director

Gothenburg, 25 July 2019
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 25 July 2019, at 08:30 AM 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 137 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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